

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
AUGUST 22, 2024 Page 1**

CONVENE: 8:00 a.m.

PRESENT: Councilmembers Michael Althausen and Angela Jefferson.

Excused: Chair Eileen Swarthout.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Finance Director Troy Niemeyer, Transportation & Engineering Director Brandon Hicks, Water Resources & Sustainability Director Dan Smith, Transportation & Engineering Assistant Director Mary Heather Ames, Engineering Services Manager Bill Lindauer, Water Resources Specialist David Kangiser, and Administrative Assistant Bonnie Hale.

**APPROVAL OF
MINUTES: PUBLIC
WORKS
COMMITTEE,
JUNE 18, 2024:**

MOTION: Councilmember Jefferson moved, seconded by Councilmember Althausen, to approve the minutes of June 18, 2024 as published. A voice vote approved the motion.

**RIGHT OF ENTRY
AGREEMENT
WITH JASON
HERRERA FOR
BELMORE
STREET
PROPERTY:**

Specialist Kangiser reported the proposal is for a right of entry agreement for property owned by Jason Herrera on Belmore Street to support beaver habitat and improve the City's ability to maintain stormwater infrastructure on Belmore Street.

Belmore Street's culvert enables the passage of Fish Pond Creek as identified in the 2011 Annexation Area Drainage Study. The undersized culvert is recommended for replacement with a box culvert. The road beyond the culvert serves only one business and consequently, the culvert replacement at this location is not a high priority at this time. The culvert has not been maintained in recent years and requires cleaning and maintenance to reduce upstream flooding.

Fish Pond Creek bisects Mr. Herrera's property. A series of beaver dams are located on the property impacting water flow upstream. The plan is to work with Mr. Herrera to install a flexible leveler on his property near a beaver dam near the culvert to help maintain water levels consistently to enable maintenance of the culvert. Staff sought consultation with several partners and recently received a Department of Fish and Wildlife HPA Permit. Staff consulted with officials from the U.S. Fish and Wildlife Service as well as Beavers Northwest.

The City has experienced success with similar projects involving both public and private interests for beaver mitigation devices located on

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
AUGUST 22, 2024 Page 2**

private property.

Staff requests the committee forward a recommendation to the City Council to approve and authorize the Mayor to sign the right of entry agreement.

MOTION:

Councilmember Jefferson moved, seconded by Councilmember Althausser, to place the Right of Entry Agreement with Jason Herrera for his Belmore Street property on the September 3, 2024, City Council consent calendar with a recommendation to approve and authorize the Mayor to sign the agreement. A voice vote approved the motion.

**AGREEMENT FOR
THE TRANSFER
OF INTERESTS IN
BREWERY
ASSETS:**

Director Smith reported the ongoing project for brewery assets originated in 2006 when the City joined with the Cities of Olympia and Lacey to ensure water rights would not be relinquished due to non-use by condemning the water rights and associated properties to support production of the water rights. The City entered into an interlocal agreement with the cities of Olympia and Lacey to share water rights and infrastructure to serve all three communities following completion of the condemnation action.

The cities engaged in planning meetings to determine the path forward to utilize water rights for the communities. In 2011, the City hired RH2 Engineering to complete some initial planning and analysis on water quality and conveyance systems. The results produced a three-phased project.

The first phase was the aquifer and infrastructure assessment to evaluate the assets acquired through the condemnation proceedings. The second phase was development of a strategic plan examining the best way to utilize existing infrastructure, develop new facilities, identify and define the partnership and ownership model, and identify the time for each city to utilize its share of water. Development of the strategy considered all potential issues from a partnership perspective for utilizing water either incrementally or immediately. Not all the cities require water at the same time. The City of Tumwater was interested in producing water and developing incremental usage followed by the City of Lacey and then the City of Olympia. The jurisdictions drafted a memorandum of understanding (MOU) to memorialize the arrangement.

During the initiation of Phase 3 with the MOU and following completion of the Strategic Plan, some changes occurred with City of Lacey and City of Olympia. Additional water rights were acquired by the two cities through separate processes and the circumstances for the City of Lacey to use its increment of water shifted. Subsequently, the partners submitted a joint request to the Department of Ecology for an extension of time to

TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
AUGUST 22, 2024 Page 3

complete the full beneficial use of the water rights. The Department of Ecology granted a 20-year extension in 2021 allowing until April 2041 to utilize the water for beneficial use.

Following the extension, the partners developed another MOU for the brewery wellfield assets and the process for transferring assets. Since then, the City of Lacey submitted a notice to withdraw from the partnership and transfer its assets to another partner. Throughout that process, the City of Tumwater supported Lacey's decision with no objection registered by the City of Olympia.

Over the last year, staff has worked with the City of Lacey staff to determine the value of the city's water rights. A similar process was considered for the transfer of assets. Three properties are jointly owned by the partnership and are integral to the development, production, and treatment of the water rights.

West Water provided an evaluation of the City of Lacey's water rights and established 761-acre feet or 2,171 gallons per minute as the city's share, which would serve approximately 3,200 homes. RF Duncan evaluated the properties. Both values and other considerations, such as liabilities of 30 existing wells and infrastructure throughout the three properties and on the golf course, were considered. The wells represent a significant liability to the partners, which was considered in the transfer agreement with the City of Lacey. Additionally, the partners considered infrastructure removal costs and storage tank removal costs. The one-million gallon storage tank was evaluated for either use or decommission. The recommendation at that time was to decommission the storage tank, as the tank does not meet potable water standards. Other options could be considered for using the storage tank, such as treatment or providing storage during treatment processes. Another liability factor related to planning, efforts, and costs for moving forward.

In October 2023, the project was reviewed with the City Council to initiate negotiations. As part of the agreement under consideration today, staff is recommending \$2,461,000.00 to acquire all the assets and liabilities constituting City of Lacey's portion of water rights and assets of the Brewery Wellfield. The agreement is predicated on each partner's acceptance of the valuation and the conditions outlined in the agreement. Acceptance of the agreement incorporates a *right to use in perpetuity certificate* recognizing that the City of Tumwater cannot rely upon water that is not provided in perpetuity and that water rights must be owned. Essentially, with the withdrawal by the City of Lacey, the City of Tumwater shares the water rights and assets with the City of Olympia. The withdrawal by the City of Lacey equates to relinquishing its one-third share of water, assets, and liabilities. Rather than a one-third split between the three partners, the new partnership would essentially result in

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
AUGUST 22, 2024 Page 4**

a split of two-thirds to the City of Tumwater and one-third to the City of Olympia moving forward.

Councilmember Althauser asked how the new partnership affects the decision-making process in light of the City's two-thirds stake versus the City of Olympia's one-third stake. Director Smith advised that the memorandum for the new partnership has not been completed with the City of Olympia at this time. As the process transitions from a partnership between the three jurisdictions to only two jurisdictions, provisions in the agreement may change dependent upon negotiations with the City of Olympia on the overall ownership and management of the brewery wellfield. Staff anticipates completing the interlocal agreement with the City of Olympia over the next year, constructing the wellfield, and putting the water rights to full beneficial use between 2026 and 2028. Once full beneficial use occurs, the City of Lacey would issue a quick claim deed for the ownership of water rights to Tumwater.

The next step is Phase 3 to complete the MOU/ILA with Olympia, wellfield design with RH2 Engineering, permitting through the Department of Health, and issuing specs and bid package for construction. Initial well drilling specs are anticipated to be completed in October 2024 which will enable hiring of a driller and beginning initial groundwork to use brewery water. Staff anticipates starting initial conversations with the Olympia staff in September 2024.

Concurrently, as new wells are constructed, one existing well (Well 39) would be retained. RH2 Engineering will assist the City in designing and constructing up to three new wells dependent upon the volume of water able to be withdrawn. Other existing brewery wells would be decommissioned. The new brewery wellfield is anticipated to need some additional water treatment. A proposal would be submitted to the Department of Health next year to enable final design and initiation of construction in late 2025/2026. Production facilities would be sited in the valley with treatment and delivery systems located at Cleveland Avenue/Yelm Highway.

Director Smith requested the committee recommend the City Council authorize the Mayor to sign the Brewery Asset Transfer Agreement with the City of Lacey to acquire the City of Lacey's brewery wellfield assets including all its water rights, infrastructure, and associated liabilities of the brewery wellfield.

MOTION:

Councilmember Jefferson moved, seconded by Councilmember Althauser, to place the Brewery Asset Transfer Agreement with the City of Lacey on the September 17, 2024 City Council meeting agenda under Council Considerations with a recommendation to approve and authorize the Mayor to sign. A voice vote approved the motion.

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
AUGUST 22, 2024 Page 5**

**FIBER OPTIC
AGREEMENT
WITH WSDOT,
AMENDMENT 16:**

Manager Lindauer presented the request for the Fiber Optic Agreement with Washington State Department of Transportation (WSDOT) Amendment 16. The City of Tumwater currently has an interlocal agreement with WSDOT for fiber optic services. The agreement was executed in July 2005 providing for the preservation of the City's fiber optic system to include a number of shared services for fire, police, IT, EMS, and the golf course.

The City requested replacement of the fiber optic system at the Trospen Road roundabouts as part of the overall system tying into City Hall. Amendment 16 is for the Israel Water Main project. The project included replacement of the waterline along Israel Road as well as undergrounding all overhead utility lines. A component of those utility lines was the fiber optic system. The project installed conduit to underground fiber optic cables. The amendment enables placement of the fiber and all connections required for the fiber optic system to operate underground. The system is 2,800 linear feet of fiber optic line from Linderson Way to Capitol Boulevard. The amendment includes installation of underground fiber vaults for the connections, fiber splicing, labeling, and removal of the overhead fiber system. WSDOT subcontracts the work with a fiber optic contractor. The subcontractor completes the work and bills the City through the fiber optics contract for the work.

The cost of the amendment is \$34,621.91 funded through the City's Fiber Fund.

Councilmember Althausen asked about the source of revenue for funding the Fiber Fund. Director Hicks explained that the fiber network was originally installed by private entities and telecommunication companies. The City required the companies to install ductwork. When WSDOT worked on its network, the City was able to include several fiber optic strands on the Department's network. The conduit installed for the City has been leased by the City to private entities through agreements. The Fiber Fund is a stand-alone fund.

MOTION:

Councilmember Jefferson moved, seconded by Councilmember Althausen, to place the Fiber Optic Agreement with WSDOT Amendment No. 16 on the September 3, 2024, City Council consent calendar with a recommendation to approve and authorize the Mayor to sign. A voice vote approved the motion.

**2023 PAVEMENT
MAINTENANCE
PROJECT WITH
MILES
CONSTRUCTION –**

Manager Lindauer reported the majority of the 2023 Pavement Maintenance Project was completed in 2023. The project included different roads throughout the City. Improvements included asphalt overlays, sidewalk repairs, utility casting replacements, storm drainage repairs, pavement crack sealing, and pavement marking. The contract

TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
AUGUST 22, 2024 Page 6

**ADDITIONAL
CONSTRUCTION
FUNDS:**

award was with Miles Construction for \$3,000,857.00. Construction funds utilized during the project totaled \$4,171,958.32.

Normally, paving projects include a 20% change order authority. This project included only a 10% change order authority. Because of the dynamic aspects of paving projects, the bid amount may vary from the total cost when the entire project is completed. The change order authority originally granted was for \$4.2 million. The request is for a 20% change order authority to cover extra items.

The proposed additions include Crosby Boulevard pavement repair of approximately \$95,000 and an additional portion of roadway to be grinded with a pavement overlay along Israel Road from the I-5 bridge to Linderson Way at a cost of \$145,000, totaling \$240,000 for the improvements or a 5%-6% increase.

The Crosby Boulevard project is from Somerset Hill to Fortner Driver in the northbound travel lanes. The section was paved as part of the overall project but after several weeks, ruts appeared in the asphalt along with other signs of settlement in the northbound lanes. Following investigation of the site, water infiltration was discovered under the roadway. Further investigation revealed two issues with the storm drainage system. One issue was a clogged storm pipe downstream caused by a root ball by trees intercepting storm lines downstream. The second issue was a utility cross bore of an existing underground utility caused by another company boring an underground line and hitting the existing utility resulting in the cross bore and damage to a storm pipe. Substantial rain events in the fall caused the root ball to back up the entire system causing water to infiltrate under the road. City crews repaired the root ball and damage to the storm pipes. The utility company repaired the cross bore damage. Repair to the roadway requires removal of existing asphalt, repairing the road subgrade, and repaving that portion of the road. The cost of the road repair is approximately \$95,000 with Miles Construction completing the repair under the existing 2023 pavement project contract.

Manager Lindauer shared photographs of the damaged areas.

The second component is for additional funds to complete the Israel Road repair from the I-5 bridge to Linderson Way. That section of the road was not repaired as part of the current Israel Road project currently in progress. That portion of the road requires grinding and pavement overlay and if not completed as part of the proposal, the project would be included on the 2025 Pavement Project because of the condition of the roadway section. Staff believes it would be more beneficial to complete the project as that section of the road has severe alligator cracking and rutting along the road leading to degrading of the road quicker. The estimated cost of the project is \$145,000 for grinding and overlay for that

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
AUGUST 22, 2024 Page 7**

section of the road. Miles Construction agreed to use the 2023 bid prices for the project. A majority of the funds for the project are from the Transportation Benefit District.

MOTION: Councilmember Jefferson moved, seconded by Councilmember Althausser, to recommend the City Council approve and authorize an increase in the change order authority provided to the Transportation and Engineering Director under Tumwater Municipal Code 2.14.060 from 10 percent to 20 percent for the 2023 Pavement Maintenance Project to be placed on the September 3, 2024, City Council consent calendar. A voice vote approved the motion.

**ADDITIONAL
ITEMS:** There were no additional items.

ADJOURNMENT: With there being no further business, Councilmember Althausser adjourned the meeting at 8:53 a.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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