

AD-HOC FRANCHISE AGREEMENTS

COMMITTEE AGENDA

April 25, 2016 –North Conference Room

21630 11th Avenue South – Des Moines 98198

7:30 a.m.-9:00 a.m.

1. Approval of minutes of the March 3rd, March 22, and April 19th Committee meetings.
2. Discussion of April 20, 2016, meeting with Utility Districts.
3. Discussion of next steps/proposal.

MINUTES

**Ad Hoc Franchise Committee Meeting
Thursday, March 3, 2016
4:00 p.m. – 5:30 p.m.
South Conference Room**

Council Members

City Staff

Chair Matt Pina
Dave Kaplan
Melissa Musser

Tony Piasecki, City Manager
Michael Matthias – Assistant City Manager/Economic
Development Director (ACM/ED)
Dan Brewer – PBPW Director
Pat Bosmans – City Attorney
Brandon Carver – Engineer Services Manager

Mayor Pina called the meeting to order at 4:30 p.m.

1. Selection of Chair

Mayor Pina was selected as chair.

2. Status of utility district franchise agreements in surround cities.

Staff briefed the Committee on the status of franchise agreements with utility districts in surrounding cities. The recently approved agreement between the City of Federal Way and the Lakehaven Utility District was reviewed and discussed. Staff also discussed the negotiations between the City of Kent and the water district serving the eastern side of Kent, noting that the two parties have not reached an agreement as of yet.

3. Review of draft franchise agreement.

The Committee and staff reviewed a proposed draft franchise agreement to send to the utility districts for the first negotiating session scheduled for March 16, 2016. The Committee provided direction to staff with regards to several items.

4. Negotiating and format.

This item was not discussed because of lack of time.

The next meeting is scheduled for March 22, 2016.

Adjourned at 5:30 p.m.

Respectfully submitted by,
Tony Piasecki, City Manager

MINUTES

**Ad Hoc Franchise Committee Meeting
Tuesday, March 22, 2016
4:30 p.m. – 6:00 p.m.
South Conference Room**

Council Members

Chair Matt Pina
Dave Kaplan
Melissa Musser

City Staff

Tony Piasecki, City Manager
Michael Matthias – Assistant City Manager/Economic
Development Director (ACM/ED)
Dan Brewer – PBPW Director
Pat Bosmans – City Attorney
Brandon Carver – Engineer Services Manager
Tim George – Assistant City Attorney

Chair Pina called the meeting to order at 4:30 p.m.

- 1. Briefing on the March 16, 2016, negotiating meeting with the Utility Districts**
Mayor Pina, City Manager Piasecki, and City Attorney Bosmans briefed the committee on the first negotiating meeting with the Utility Districts held on Wednesday, March 16, 2016. The Utility Districts provided written comments to the City's proposal (see attached) and the City walked through its proposed franchise agreement. It was decided that the Districts' format would be used as the template for an eventual agreement and that the City would offer a second proposal for the Districts' to review.
- 2. Review of the City's proposed franchise as compared to the Utility Districts franchises.**
Staff provided the Committee a document that combined both the City's initial proposed franchise and the Districts' proposed franchise, putting sections that covered the same subjects next to each.
- 3. Discussion of a second City-proposed franchise agreement.**
Using the combined document, the Committee provided direction to staff regarding language from the Districts' to accept, modifications of either Districts' language or City language to include, and City language to keep, in the second City proposal.

Adjourned at 6:00 p.m.
Respectfully submitted by,
Tony Piasecki, City Manager

MINUTES

**Ad Hoc Franchise Committee Meeting
Tuesday, April 19, 2016
4:30 p.m. – 6:00 p.m.
South Conference Room**

Council Members

Chair Matt Pina
Dave Kaplan
Melissa Musser

City Staff

Tony Piasecki, City Manager
Michael Matthias – Assistant City Manager/Economic
Development Director (ACM/ED)
Dan Brewer – PBPW Director
Brandon Carver – Engineer Services Manager
Tim George – Assistant City Attorney

Chair Pina called the meeting to order at 4:30 p.m.

1. Discussion of Districts' 2nd Proposal

The Committee and staff discussed the Districts' second proposed franchise agreement. The following eight issues have the most differences with the City's second proposed franchise agreement:

1. Relocation
2. Franchise Annual Fee
3. Hydrants
4. Franchise Percentage Payment
5. Abandoned Facilities
6. Vacation
7. Definition of Revenue
8. Term

2. Next Meeting with Districts

At the next meeting with the Districts, both the City and the Districts will be reviewing their respective second proposals. It was agreed that the City should put together a table showing the eight areas that have the most differences that includes the language from the City and from the Districts and provides a summary of the nature of the differences to use as a way to focus the discussion on these areas and ways to resolve them.

Adjourned at 6:00 p.m.
Respectfully submitted by,
Tony Piasecki, City Manager