

MINUTES

**Ad Hoc Franchise Committee Meeting
Monday, April 25, 2016
7:30 a.m. – 8:30 a.m.
South Conference Room**

Council Members

Chair Matt Pina
Dave Kaplan
Melissa Musser

City Staff

Tony Piasecki, City Manager
Dan Brewer – PBPW Director
Brandon Carver – Engineer Services Manager

Chair Pina called the meeting to order at 7:30 a.m.

1. Approval of minutes of the March 3rd, March 22, and April 19th Committee meetings.

The minutes of the March 3rd, March 22, and April 19th Committee meetings were approved

2. Discussion of April 20, 2016, meeting with Utility Districts.

Chair Pina and City Manager Piasecki provided the Committee a summary of the meeting held with the utility districts on April 20th. The Midway Sewer District provided a list of their bottom line positions on the following items:

- The franchise fee must be \$500 per year or a one-time fee of \$5,000.
- The term of the franchise must be at least ten years.
- The franchise payment must be as follows:
 - 4% for 2016-2019
 - 5% for 2020-2022
 - 6% for 2023-2025
- No “hook”/no auto renewal
- Relocation: 50/50 split cost

The City and the Districts then discussed the list of eight outstanding issues that the Committee had discussed at its last meeting. The eight issues and the current status or next steps on each are as follows:

1. Relocation – Dan to discuss with District staff.
2. Franchise Annual Fee – Tony and Dunyele to review cost. Dan reported actual staff cost on annual basis strictly for franchise administration is minimal. We may be willing to reduce the annual fee to \$2,500. Dan will provide examples of non-ROW permit fee work that staff does with regards to managing utility franchises.
3. Hydrants – Tim to discuss with attorney for Districts (Milne). Pat is getting additional information from WSAMA conference next week April 27-29 to assist

- in legal arguments. We may propose leaving out any reference to the fire hydrant/fire suppression issue.
4. Franchise Percentage Payment – Tim to discuss terms regarding legal challenge. made by ratepayer with Milne. We will try to come up with a different name for this payment.
 5. Abandoned Facilities – Dan to discuss with District staff.
 6. Vacation - Dan to discuss with District staff.
 7. Definition of Revenue/late payment fee/timeframe – Tony discussed with Dunyele. City will likely agree to use District definition. We may also be willing to reduce the late payment fee and increase the time frame for payment.
 8. Term – City and District tentatively agreed to 10 year initial term with one 5 year extension unless notice given by either party prior to 180 days of end of first term.

3. Discussion of next steps/proposal.

The Committee will wait to discuss next steps until after staff has worked through the discussions as outlined above.

Adjourned at 8:30 a.m.

Respectfully submitted by,
Tony Piasecki, City Manager