

## **Utility Department Memorandum**



**DATE:** October 1, 2014  
**TO:** Patrick Wiemiller, City Administrator  
**FROM:** Larry A. Bean, Utilities Director  
**SUBJECT:** Joint Meeting of City Council and Utility Commission, October 7, 2014.

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Attached is the annual report of the Utility Commission for the fiscal year ending June 30, 2014. Members of the City Council or Utility Commission may wish to reference this document during their joint meeting scheduled to take place prior to the October 7<sup>th</sup> City Council meeting.

A handwritten signature in blue ink, appearing to read "Larry A. Bean", written over a horizontal line.

Larry A. Bean  
Utilities Director  
City of Lompoc

Attachment

LOMPOC UTILITY COMMISSION'S  
FY 2013-2014 ANNUAL REPORT  
TO THE CITY COUNCIL

The City's Utility Commission was created in January 2001, replacing the former Water and Electric Commissions. It is comprised of five members appointed by the City Council. All members must be residents of the City. In accordance with City Ordinance No. 1454(00), Commission members serve until replaced by their appointing Council Member.

The Utility Commission acts in an advisory capacity to the City Council in all matters pertaining to water supply, water distribution activities of the City, operation of the City's wastewater facilities, operation of the City's electric system, operation of the City's Solid Waste system, and matters pertaining to Broadband activities.

Mr. Robert Holloway was re-elected as Chair and Mr. Jonathan Mundt, Vice-Chair at the January 13, 2014 meeting. The present composition of the Commission listed according to longevity is shown below:

<b>Commissioner</b>	<b>Initial Appointment Date</b>	<b>Current Term Appointment by:</b>
Holloway, Robert L., Chair	01/16/2001	<b>Councilmember Lingl</b>
Mundt, Jonathan, Vice-Chair	01/02/2007	<b>Councilmember Starbuck</b>
Dudley, Andrew	05/03/2011	<b>Councilmember Costa</b>
Michael Provencio	11/30/2011	<b>Mayor Linn</b>
James Mosby	12/04/2012	<b>Councilmember Holmdahl</b>

The Utility Commission normally meets the second Monday of each month at 6:00 p.m. in the City Hall Council Chambers, 100 Civic Center Plaza, Lompoc, California. All meetings of the Utility Commission are open to the public. City Council Members, visitors, and staff members all attended various meetings during the fiscal year.

Between July 8, 2013, and September 8, 2014, the Utility Commission scheduled and conducted 13 meetings in accordance with the schedule below. Prior to FY 2007- 2008 only the Utilities Director attended Utility Commission meetings. Since then Division Heads started attending the meetings on a regular basis to present reports on topics related to their areas of expertise. This has increased the length of the meetings, but has provided the Commission with information that is more thorough than that which was previously being provided when only the Utilities Director was in attendance.

<b>Meeting Dates</b>	<b>Location</b>	<b>Quorum</b>	<b>Duration</b>
July 8, 2013	Water Treatment Plant	Yes	2 Hour, 29 Minutes
August 12, 2013	City Hall	Yes	2 Hours, 45 Minutes
September 9, 2013	City Hall	Yes	1 Hours, 30 Minutes
October 14, 2013	City Hall	Yes	52 Minutes
November 4, 2013	City Hall	Yes	45 Minutes
December 9, 2013	No Meeting	N/A	N/A
January 13, 2014	City Hall	Yes	1 Hour, 31 Minutes
February 10, 2014	City Hall	Yes	1 Hour, 38 Minutes
March 10, 2014	City Hall	Yes	1 Hour, 40 Minutes
April 14, 2014	No Meeting	N/A	N/A
May 12, 2014	City Hall	Yes	1 Hour, 24 Minutes
June 9, 2014	City Hall	Yes	1 Hour, 20 Minutes
July 14, 2014	City Hall	Yes	2 Hour, 9 Minutes
August 11, 2014	City Hall	Yes	53 Minutes
September 8, 2014	City Hall	Yes	1 Hour, 8 Minutes

#### FY 2013-2014 ACTIVITY HIGHLIGHTS

- The Utility Commission approved a rate review policy whereas the Financial Services Manager will review enterprise funds every six months with the Utility Commission and if a negative indicator occurs twice in a row they will recommend City Council review.
- Wi-Fi Pricing Structure and Service Improvements.
- Solid Waste Collection Rate Adjustments and Landfill Tipping Fee Adjustments.
- Review Benchmarking Survey for Water and Wastewater Plants.
- Recommended that no additional efficiency studies be undertaken for the Water Treatment Efficiency Study, because efficiencies at both the Water and Wastewater Plants should increase with growth of the community by utilizing more of their available capacities and the City being poised to serve economic development needs and take advantage of unused capacity.
- Proposed an amendment to the Resolution implementing the ordinance on Development Project Impact on Water Supply (Lompoc Municipal Code (LMC) section 13.014.070) to permit in-lieu fees for water demand offsets to be used to fund recycled water and water leak detection and repair programs in the City.

## 2013 Utility Commission Action Items

### January 14, 2013

1. Staff to provide a status report on City of Lompoc's Digital Infrastructure and Vide Completion Act Ordinance
2. Establish 10-Year Energy Efficiency Targets to meet Requirements of State of California Assembly Bill AB2021.

### February 11, 2013 – No meeting

### March 11, 2013

1. The Expansion of the Bailey Avenue Plan would result in added utility revenue that would help offset future rate increases – ***Item was pulled by City Administrator***

### April 8, 2013 – No meeting

### May 13, 2013 – No New Business

### June 10, 2013

1. Utility Commission recommends that City Council set a public hearing for the proposed water and wastewater rate adjustments.

### July 8, 2013

1. Scope of Work for Water Plant Efficiencies Analysis

### August 12, 2013

1. Developing Rate Policies
2. Decrease Solar Rebate and Request Additional Funding
3. Discussion of Draft Groundwater Management Plan

### September 9, 2013

1. Vacant Building Electric Incentive Program

### October 14, 2013

1. Approve the Water and Wastewater Benchmark Survey for submittal to American Water Works Association

November 4, 2013

1. Rate/Reserve Policies

December 9, 2013 – No meeting

**2014 Utility Commission Action Items**

January 13, 2014

1. Approve Modification of Certain Electric Utility Rate Schedules

February 10, 2014

1. Wi-Fi Price Structure and Service Offering Changes
2. Lighting Rebate Changes and Low Income Give-Away

March 10, 2014

1. Consideration of Proposed Solid Waste Rate Adjustments

April 14, 2014 – No meeting

May 12, 2014

1. Approval of the 2013 Integrated Regional Water Management Plan for the Santa Barbara Region

June 9, 2014

1. Emergency Holding Basin
2. Discussion of Water and Wastewater Benchmarking Study – Action Request for Comments

July 14, 2014

1. Approve memorandum to City Council on the Scope of Work for Water Treatment Plant Efficiency Study

August 11, 2014 - No New Business

**UTILITY COMMISSION  
FOCUS ISSUES  
FOR THE YEAR AHEAD**

- **MUST MAINTAIN OUR INVESTMENT IN OUR UTILITIES INFRASTRUCTURE**
- **KEEP CLOSE WATCH ON DROUGHT CONDITIONS AND IMPACTS**

# City of Lompoc Sewer System

- City owns 100.1 miles of sewer mains
- To replace all of the sewer mains on a 100-year schedule would cost an estimated \$98 million, or \$980,000 per year (constant 2013 dollars).
- To replace all of the sewer mains on a 50-year schedule would cost \$1.96 million per year (constant 2013 dollars).

# City of Lompoc Sewer System

- The Current sewer main replacement program budget is \$410,000 per year.
- At this rate of rehabilitation and replacement, it would take approximately **240 years** to replace the City sewer mains.



# City of Lompoc Sewer System

- Approximately 11.8 miles of the system located in the older part of the City are in imminent need of replacement or considerable repair. Many of these sewer mains have been in service at least since 1916, and their condition is now serious to critical.
- The full replacement cost of the 11.8 miles in the serious to critical zones is estimated at \$11.6 million.

# H/I Alley between Cypress and Hickory

Grade 5 – Very Significant Defect

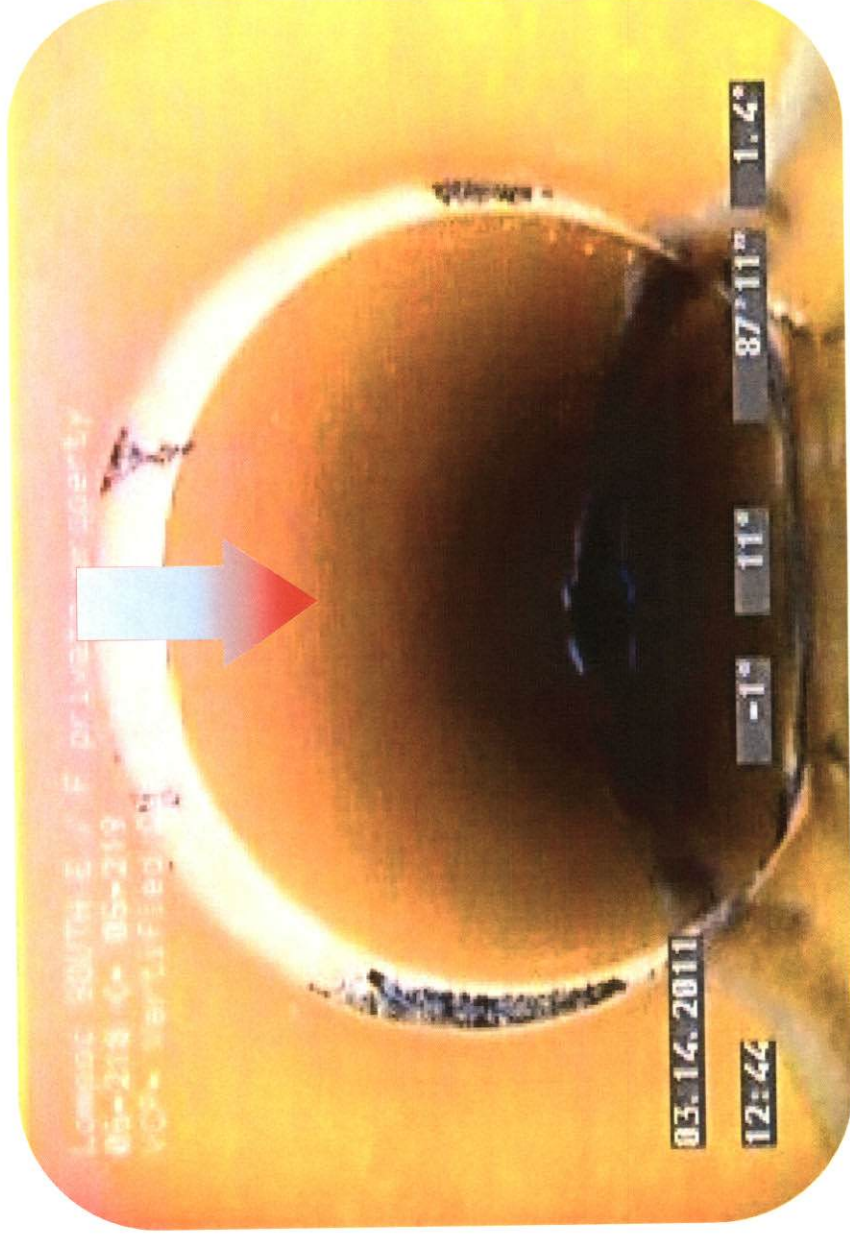
In service since at least 1916, pipe broken at joint, failure probability high



# E/F Alley between Locust and University Park

Grade 5 – Very Significant Defect

Joint separated, severe sag, unable to camera, may have partially collapsed beneath railroad; failure probability high



# City of Lompoc Water Distribution System

- City owns 135 miles of water lines (4"-24")
- Current main replacement program budget at \$ 190,000 per year.
- Most recent bid cost at \$ 220 / ft. of 6" pipe.
- = 864' /year budgeted for replacement.
- = .164 miles/year replacement rate.
- **Over 820 years to replace all City pipe at current replacement rate!**

# Water Main Replacement Cost

- Current cost = \$ 1.16 Million dollars per mile of pipe replaced. [\$220/ft x 5,280ft/mile]
- To replace all of the 135 miles of mains would cost an estimated \$157 million.
- A 100 year schedule (using 2013 costs) require spending approximately \$ 1.57 million dollars per year to replace 135 miles of water pipe.
- 4% of the system (5.5 miles = \$ 6.4M ) contains 4" substandard mains. (priority replacement)
- 62% of the system (84 miles = \$97.4M) contains pipe circa 1960's or older. (currently only replace as failures occur)

Recent cast iron pipe failure; alley of  
123/125 W. Ocean - 7/12/13



Section removed  
in two pieces  
after bottom of  
pipe ruptured



(Shown: 25' replacement section) The entire alley from H to I street is scheduled for replacement in the current budget.





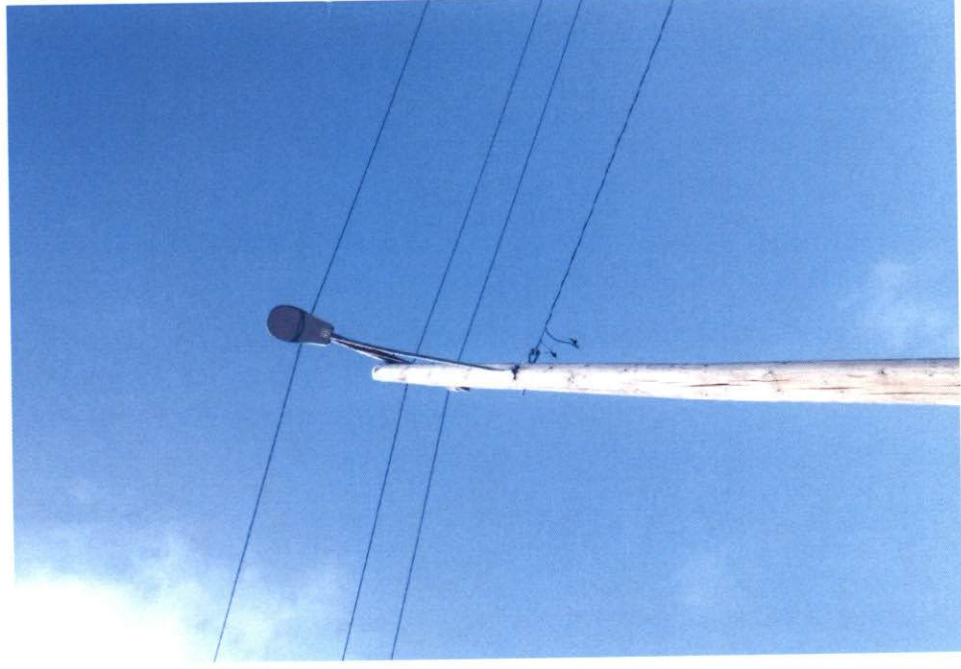
# Electrical Division

- 12 kV Primary Overhead – 50.02 miles
- 4 kV Primary Overhead – 10.93 miles
- 12 kV Primary Underground – 60.79 miles
- 4 kV Primary Underground – 5.70 miles
- Pad Transformers – 649
- Pole Transformers – 616
- Pad Switches – 35
- Pole Switches – 64
- Electric Poles – 2980
- Street Lights – 2475

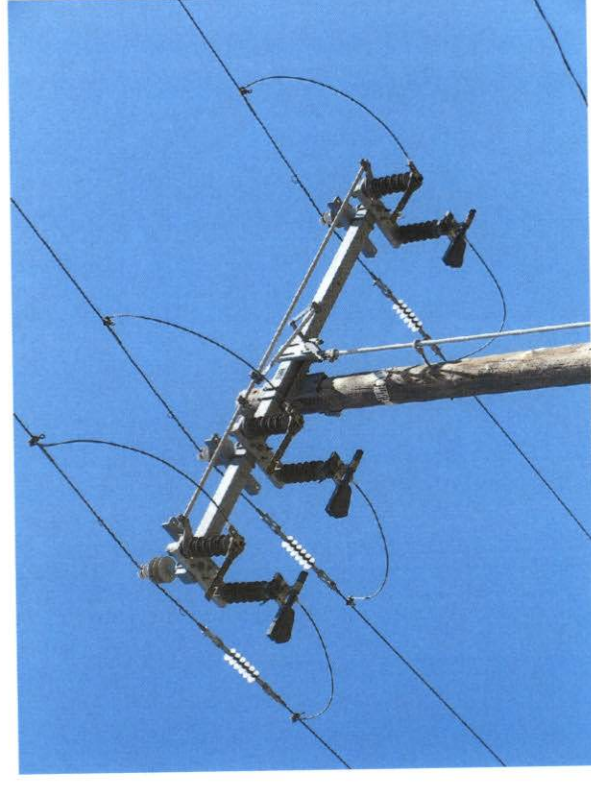
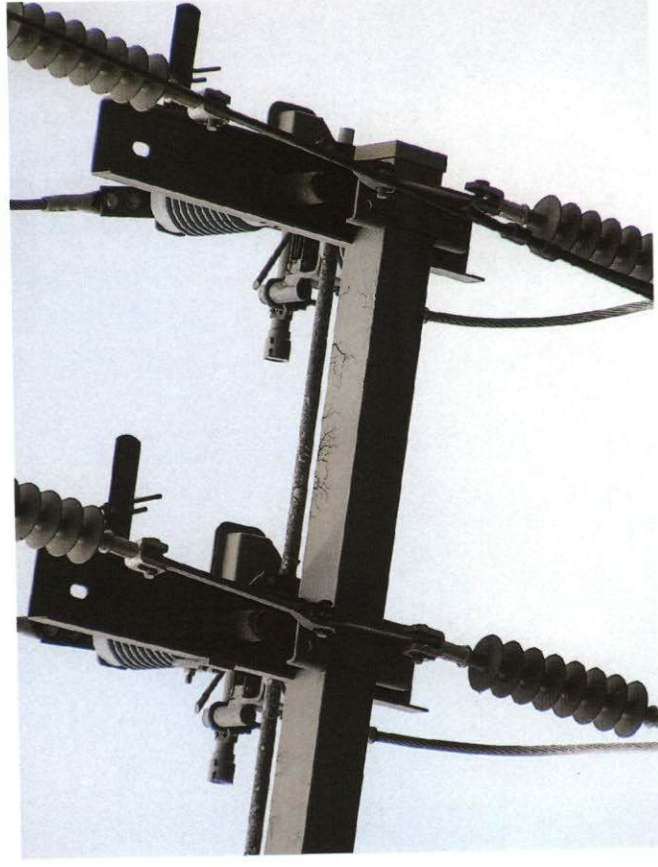
# Electrical Rebuild Cost

- 60.95 miles Primary Overhead  
@ \$638,314/mile = \$39 million  
(includes poles and equipment)  
34% of poles are 30+ years old
- 66.49 miles Primary Underground  
@ \$550,756/mile = \$37 million  
(includes cable and equipment)  
49% of cable is 30+ years old

# 1500 High Pressure Sodium Street Lights Replaced with new 54% more Efficient LEDs



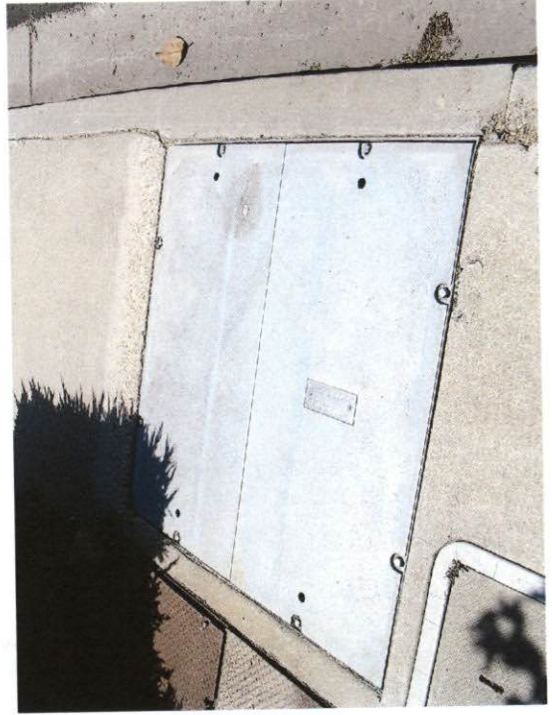
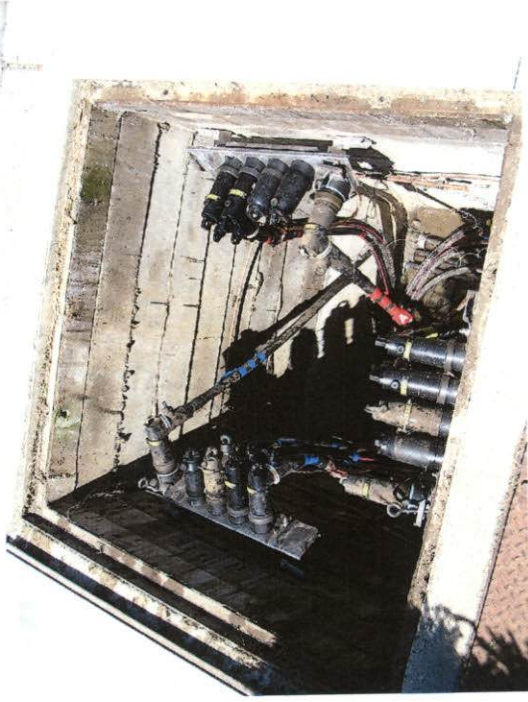
# Old Overhead Switches with Fiberglass Arm Tracking versus new Design Underslung 11 changed in 3-years



# 63 Pad Mount Transformers Changed out last 3-years

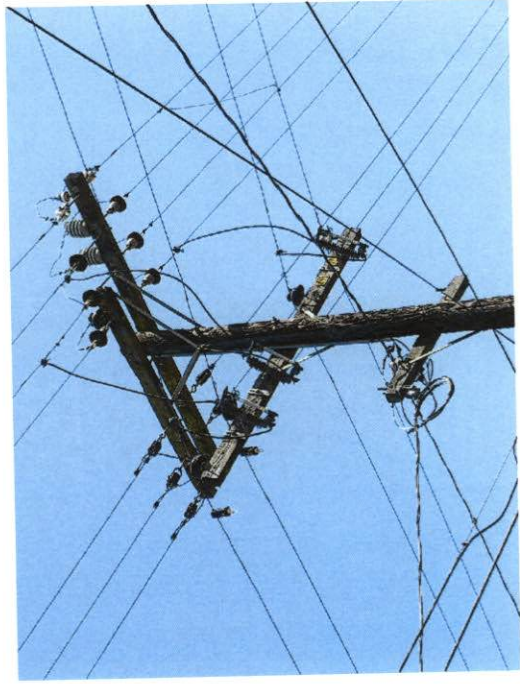
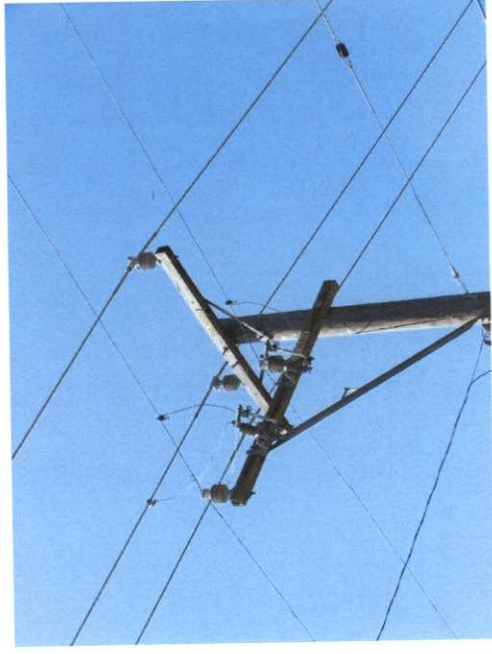
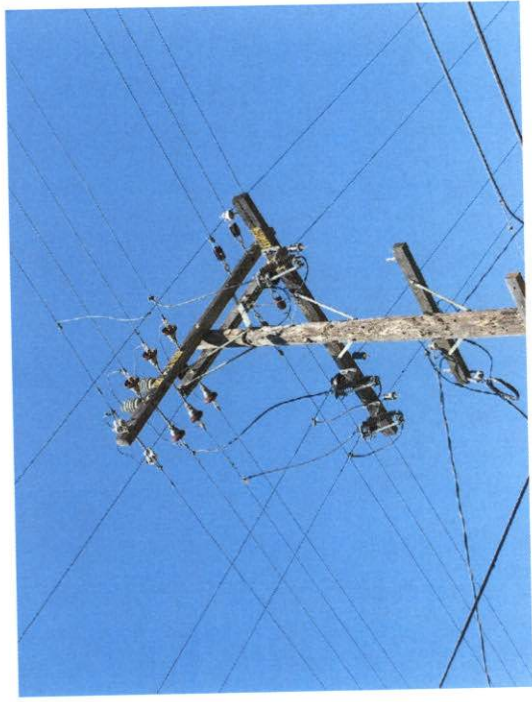


# 4 to 12kV Vaults and Lids

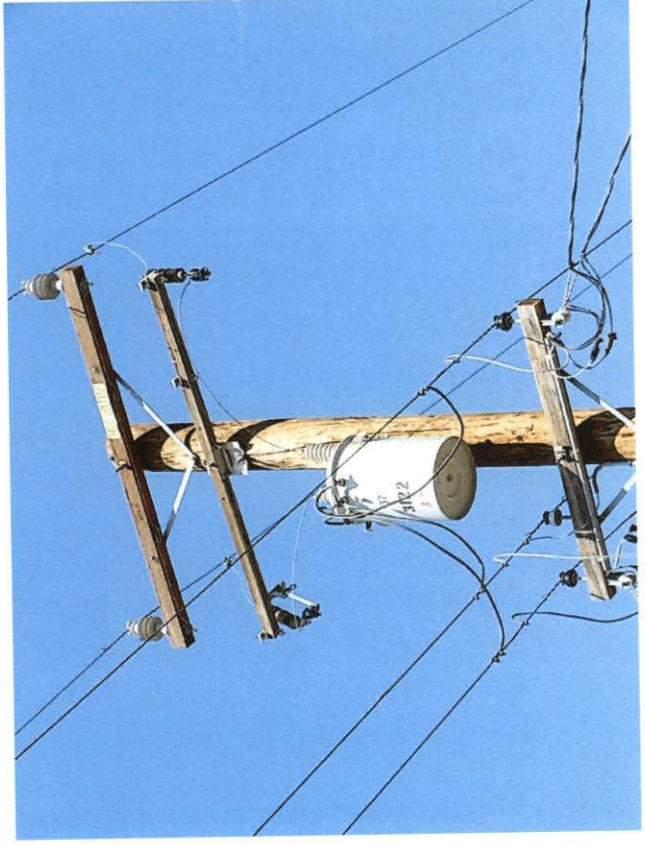
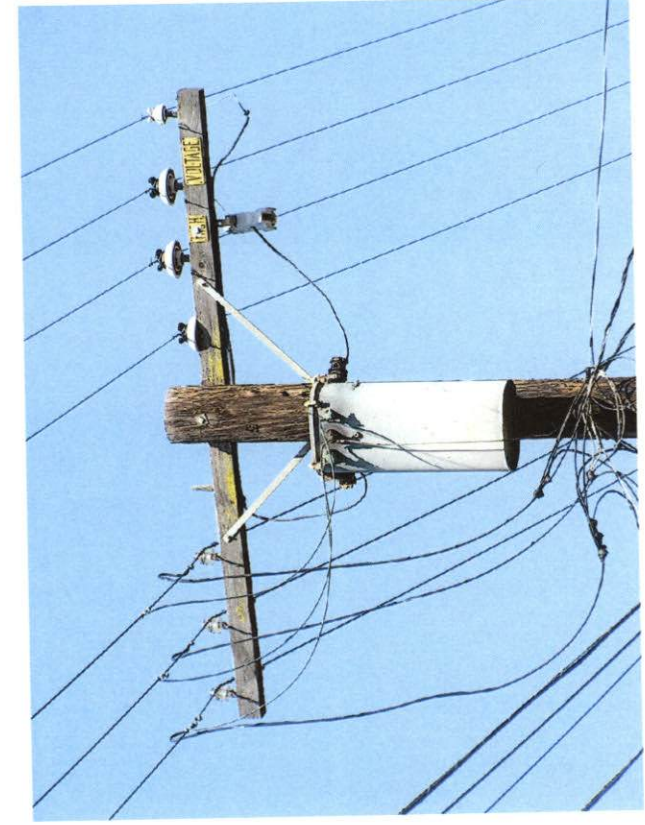


# 4 to 12 kV Conversion Project

## 2.7 circuit miles converted last 3-years

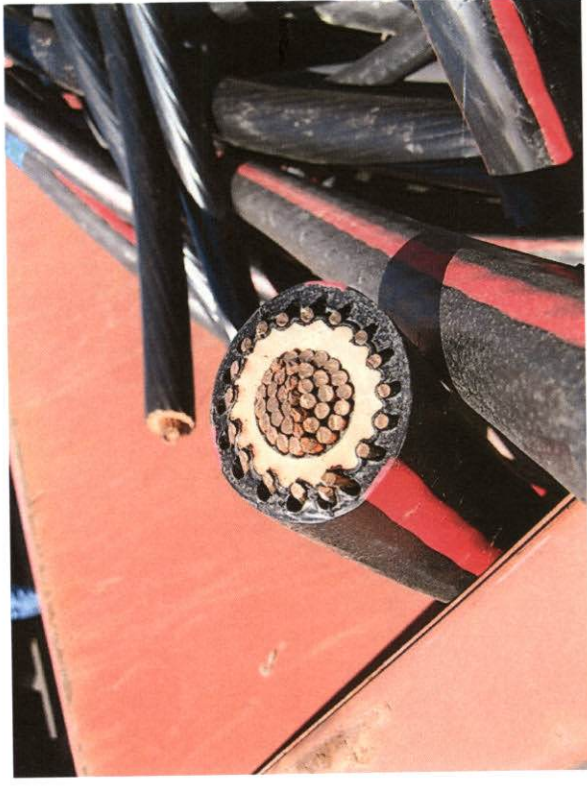
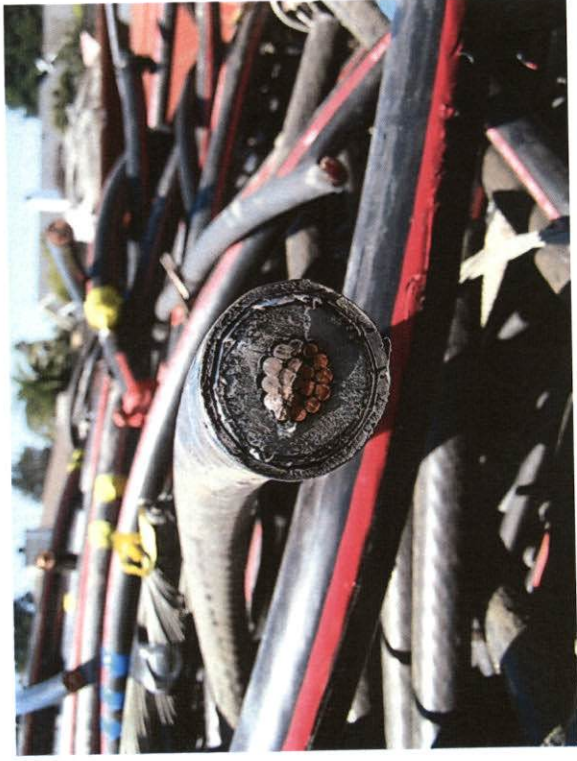


# 82 Overhead Transformers changed





# New 12kV underground cable 5.95 circuit miles in last three years



# DROUGHT

- Closely watch well levels for Lompoc
- Watch for impacts from drought