

April 18 | 2012 **NAMPA**

Nampa: Wastewater Options, Public Outreach and Education Campaign



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Agenda

- Review Nampa's Wastewater Program
 - Options
 - Decision making process
- Review public involvement process and outcomes
 - Purpose
 - Industrial Working Group
 - Virtual Focus Group
 - Wastewater Advisory Group
- Questions

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City of Nampa Discharge Options



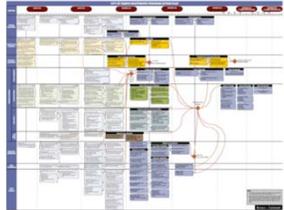
1. Treat and pursue Direct Infiltration (L)
2. Treat and pursue Rapid Infiltration (L)
3. Treat and discharge to interim TP with offsets (W)
4. Treat and discharge to final TP (W)
5. Do Nothing More (W)

(L) - Land (W) - Water

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The City is Moving Towards the Larger Decision

- Wastewater Program Action Plan
- Key Components
 - Decision making process
 - Financing and rate studies
 - Technical evaluations
 - Regulatory coordination
 - Legal coordination
 - Public outreach
- Public outreach a key component due to:
 - Magnitude and complexity of larger decision
 - Unique components in decision making process



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Decision Making Process

- Business Case Evaluations focused on selecting the preferred option that:
 - Meets service levels defined by Nampa
 - Accounts for risk and benefit cost to deliver long term solution
 - Delivers least life-cycle cost of ownership

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Basic Steps of the Decision Making Process

Business Case Evaluation Steps	
1	Form Expert team
2	Identify challenges and levels of service
3	Brainstorm alternatives and screen fatal flaws
4	Collect data on capital, operation and maintenance, risks, and benefits costs based on levels of service
5	Perform net present value analysis
6	Select preferred alternative

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Step 2: Define Levels of Service

- Levels of Service = Rate Payer Expectations
- Understanding expectations means solution will be best fit for Nampa
- Levels of service will be based on community's core values and goals

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Levels of Service: Example

- What car do you own?
 - Why? (Typically values-based)
 - How do you know you're satisfied?
 - How do you measure your satisfaction?
 - What are you willing to pay more for?

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Step 2: Define Levels of Service

- City of Nampa's Strategic Plan defines goals and objectives
- Wastewater levels of service should consider potential impacts on meeting Strategic Plan goals
- Ensure Nampa's Wastewater decision aligns with City Strategic Plan
- This was goal of 1-on-1 interviews with City leadership
 - Discuss City's Strategic Plan
 - Identify priority areas
 - Can wastewater decision impact priorities?
 - If so, consider impacts through risk and benefit analysis

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Step 2: Define Levels of Service

- What we've heard from 1-on-1 interviews:
 - Economic development high priority
 - Affordability for rate payers
 - Better control regulatory destiny and maintain options
 - Willing to consider all financing and funding options
 - Increased recreational opportunities a plus

Process focused on defining Nampa's "bar code" for a best fit solution

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Step 4: Capital, Operation and Maintenance, Risks, and Benefits Costs

- Data collected on all costs
 - Capital, Operation and Maintenance, Risks, and Benefits Costs
- Why account for risk and benefit costs?
 - More conservative approach
 - More informed long-term decision making
 - Provides apples-to-apples comparison
 - Reduces subjectivity of evaluation
 - Consider car insurance rates and other examples

We account for risk everyday

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Step 4: Example Risk Costs

- Example risk cost for infiltration:
 - Potential TDS removal, to meet Groundwater Rule
 - GMF, electro dialysis, and brine management for 2 mgd
- Cost are added to net present value analysis at estimated year of impact

Risk	Approx. Capital Cost	Annual O&M Costs	Probability of Occurrence	Annual Capital Risk Cost	Annual O&M Risk Cost
TDS Removal	\$21M (2 mgd)	\$1.18M (2 mgd)	25% (2023)	\$263K (2018)	\$295K (2023 - 2032)
				\$525K (2019)	
				\$1,313K (2020)	
				\$2,100K (2021)	
				\$1,050K (2022)	

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Step 4: Example Benefit Cost

- If Direct Infiltration, Class A recycled water has great value
- Discussed potential value with Economic Development Director
 - Several recent industries almost located to Nampa
 - Free water could have influenced decision

Company Type	Water Needs (gal/day) (annual value)	Jobs Created	Annual Economic Impact	Probability	Annual Benefit Cost *
Chemical Manufacturing	2,600,000 (\$1,446,000)	995	\$1,100M	2%	+\$22,000,000
Solar Cell Manufacturing	500,000 (\$278,000)	950	\$530M	-	-
Data Center	2,880,000 (\$1,602,000)	150	\$29M	80%	+\$22,976,800

* Analysis comparative only so the benefit cost of only one additional company included in evaluation

Formal analysis completed by Voltaic Solutions

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Basic Steps of the Decision Making Process

Preliminary Business Case Evaluation		City Progress to Date
1	Form expert team	Complete
2	Identify challenge and levels of service	Complete
3	Brainstorm alternatives and screen fatal flaws	Complete
4	Collect data on capital, operation and maintenance, risks, and benefits costs	Complete
5	Perform net present value analysis	Complete
6	Select preferred alternative	To be completed

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Preliminary Results of Business Case Evaluation

Option	20-yr NPV Capital and O&M only	20-yr Risk and Benefit Costs
#1: Direct Infiltration	\$99,466,000	+\$92,998,000
#2: Rapid Infiltration	\$97,509,000	-\$1,697,000
#3: Treat and Offset	\$62,665,000	-\$32,592,000
#4: Treat to Final TP Limits	\$96,328,000	-\$53,692,000
#5: Do Nothing More	-	-\$280,966,000

- No decisions have been made
- Council authorized further evaluation of long term options

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Review of Public Involvement Process and Outcomes

Rosemary Curtin, RBCl

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The Public

- Because of:
 - Anticipated high cost of the upgrades
 - Impacts to industry
 - The complexity of the decision
 - The fact that the upgrade will bring cleaner water but no noticeable improvement to sewer services
 - Genuine commitment to make the right upgrades for Nampa

Our team believed involving and beginning to inform the Nampa community was important

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The Public

Based on experience the public involvement methods early in the process needed to be personal, educational and conversational

- Industrial Working Group
- Virtual Focus Group
- Advisory Group



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The Public – Their Purpose

- To review technical work
- Question assumptions
- Review and provide input on upgrade options
- Provide perspectives of the Nampa community that should be considered in the process
- Provide advice on funding options
- Prepare community for a substantial rate increase

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The Public – Industrial Working Group

Why:

- Decision significantly impacts industry
- They understand and can question the technical analysis
- They are politically connected and we need their support

- Major industries in Nampa
- 5 group meetings
- One-on-one meeting



The industry working group has reviewed the technical analysis. Our team is in the process of gathering industry's input

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The Public – Virtual Focus Group

Why:

- Provides access to wider audience
- The audience is diverse
- Less expensive method

- 500 members
- Diversity of membership
- 3 surveys



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The Public – Wastewater Advisory Group

Why:

- Virtual Focus Group was not proving to be the best method
- Opportunity to provide needed education
- Develop relationships with key groups
- More formal process

- 40 core members
- Diversity of membership
- 7 meetings (2 hours per meeting)

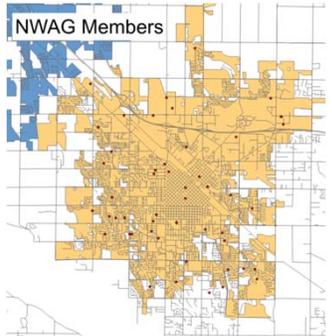


Core members were highly engaged and committed to the process

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The Public – Wastewater Advisory Group

- Diversity of membership
- Wide distribution across the City



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The Public - Overall

- Understand need for the upgrades
- Willing to participate and provide input
- Not running to the least cost upgrade option
- Express support for reuse

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The Public: Input to-date on Treatment Options



1. Treat and pursue Direct Infiltration (L)
2. Treat and pursue Rapid Infiltration (L)
3. Treat and discharge to interim limit with offsets (W)
4. Treat and discharge to final TP limit (W)
5. Do Nothing More (W)

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The Public – Decision Making

- Technical expertise and public input are only two components in the decisions making process
- Decisions on how best treat and dispose of wastewater are made by elected officials
- Elected officials have varying agendas
 - Multiple 1-on-1 meetings
 - Multiple Special Council Workshops

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The Public – Decision Making

- Remember the public
 - Your customers ultimately have to pay the costs of treating and disposing of or reusing wastewater
- Remember elected officials
 - Don't underestimate the importance of educating and understanding the positions of your elected officials

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The Public – Continued Involvement

Continued involvement:

- Policies
- Cost
- Rate increase
- Long term upgrade

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The Public – Value it Brings

- To review technical work
- Question assumptions
- Review and provide input on upgrade options
- Provide perspectives of the Nampa community that should be considered in the process
- Provide advice on funding options
- Assistance with selecting the best upgrade option for Nampa
- Prepare community for a substantial rate increase

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Acknowledgments and Contributions

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 - CH2MHill
 - FCS Group
 - J-U-B Engineers
 - Murray Smith & Associates
 - MWH Global
 - RBCl
 - Voltaic Solutions
- Regulatory Stakeholders:
 - IDEQ State and Regional offices
 - EPA Region 10 Idaho Operations
 - EPA Region 10 Seattle

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Wastewater Division
www.cityofnampa.us/wastewater

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