



Meeting Minutes - Final

Utility Advisory Committee

City Hall
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Olympia, WA 98501

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Thursday, September 7, 2017

5:40 PM

City Hall, Room 207

1. CALL TO ORDER

The meeting was called to order by Chair Wilson.

1.A ROLL CALL

Present: 7 - Chair Roger Wilson, Vice Chair Dever Haffner-Ratliffe, Committee member Mike Buffo, Committee member Steve Fossum, Committee member Austin Hildreth, Committee member Arland Schneider and Committee member Jeremy Twitchell

Absent: 1 - Committee member Luke Bowerman

2. APPROVAL OF AGENDA

The agenda was approved.

STAFF PRESENT

Public Works Engineering and Planning Supervisor Eric Christensen
Public Works Senior Planner Susan Clark
Public Works Program and Planning Supervisor Joe Roush
Public Works Director of Waste ReSources Dan Daniels

3. APPROVAL OF MINUTES

[17-0907](#) Approval of June 1, 2017 UAC Meeting Minutes

The minutes were approved.

4. PUBLIC COMMENT - No public comment

5. ANNOUNCEMENTS FROM UAC AND STAFF

Committee member Hildreth provided an update on the Missing Middle Housing Committee.

Mr. Christensen provided the following updates:

The City is continuing with three major water construction projects:

- Log Cabin Reservoir
- Fones Road Booster Station
- Meridian Corrosion Control Facility

Loans from the Drinking Water State Revolving Fund partially fund these projects. Due to the failure of the State Legislature to pass a capital budget, the City will finance 10 million to continue to fund the projects. The Legislature will look at the budget again in January 2018. The risk of cancelling the projects would cost the City more in damages, so the City decided to finance them.

Staff will go to Council to get approval of a water quality grant for a treatment system on Union Avenue. The grant is through the Department of Ecology (DOE) and is a stormwater capacity grant for \$25,000.

The City hired a new Drinking Water Operations Supervisor named Jeff Coleman. He starts October 2 and comes from the City of Longview.

Staff will bring updates to the Septic to Sewer program to Council for approval in October.

Staff is working on a new intertie agreement with the City of Lacey for the sale of water.

The Storm and Surface utility hired two Americorp service members. The members will serve at the City from September 2017 to July 2017 and will work on various stormwater projects and education/outreach.

The Drinking Water utility has hired a consultant to conduct leak detection services. The intent of the contract is to identify and fix leaks to reduce water loss in the City's system.

Staff will go to Council for approval for a grant to conduct hydraulic performance study through the Stormwater Action Monitoring (SAM) program. This is "pass through money" from DOE to a consultant to conduct the studies.

Mr. Christensen provided a briefing on the status of the Sea Level Rise (SLR) Planning project. The UAC last received an update on the SLR project in April 2017. This planning effort is in collaboration with LOTT Clean Water Alliance and the Port of Olympia. The consultant, AECOM, is currently collecting an inventory of downtown assets by meeting with and interviewing staff from the City, Port and LOTT as well as other stakeholders. He reminded the UAC of the SLR planning goal and timeline of the project. He agreed to forward documents to the UAC as they are finalized by the project team.

6. BUSINESS ITEMS

[17-0908](#) Draft Storm and Surface Water Plan

Ms. Clark, Mr. Roush, and Mr. Christensen briefed the UAC on the Draft Storm and

Surface Water Plan. Staff also attended the May 2017 UAC meeting as an initial briefing on the plan update.

Staff discussed the Storm and Surface Water Utility's core services and the Draft Plan recommendations. An electronic version of the Draft Plan is available online by visiting the September 7 UAC meeting materials.

Following input from the UAC, staff will present the Draft Plan to Council's Land Use and Environment Committee in November, 2017 and January, 2018. Additionally, the Utility will announce the availability of the Draft Plan and establish a public comment period in November, 2017. Staff will provide to the UAC any public comments received after the close of the comment period.

After some clarifying questions from Committee members and a brief discussion on the presentation, Chair Wilson thanked staff for the briefing. To allow the UAC additional review time, Utility staff will return to the UAC later in the Fall of 2017 for a final review and recommendation.

The discussion was completed.

[17-0909](#) 2018 Utility Rate and General Facility Charges (GFC) Recommendations

Mr. Christensen briefed the UAC on the proposed 2018 rates for Water Resources utilities of Drinking Water, Wastewater and Storm and Surface Water. Mr. Daniels provided information on the proposed 2018 rates for the Waste ReSources utility.

Mr. Christensen mentioned an item that is a new revenue source for the Water Resources utilities. They will begin charging utility staff's time to the City's Community Planning and Development for development reviews. This will bring in approximately \$100,000 per year between the three utilities. Staff is proposing a 4.4% rate increase for the Drinking Water utility and zero percent rate increases for Wastewater and Storm and Surface Water utilities. LOTT Clean Water Alliance's Board is proposing a 2% increase for 2018.

Mr. Daniels briefed the UAC on the City's Maintenance Center facility that is in need of repairs and running out of space for operations. The City is poised to spend \$10M in the next few years on building improvements and stormwater and environmental mitigation at the current facility. He discussed the idea to move Waste ReSources operations (garbage/recycling) to a City-owned property on Carpenter Road. This would involve creating a debt reserve to build a fund to finance the new facility. The utility is considering raising rates starting in 2018 in order to build the debt reserve. In 2018, the Utility will move forward with the 30 percent design of the Carpenter Road facility with \$450K available in existing utility funds. Once the 30% design is completed, the City will have an estimate of the total cost to build the new facility. He said the City is proposing a rate increase 6% rate increase for residential customers in 2018. After 2018, Staff estimates a twenty-one percent rate increase spread over five years.

To summarize the 2018 utility rate increases, including the additional debt reserve for Waste ReSources, for a typical single-family residential customers will experience a 2.7 percent increase for the 2018 utility bill.

The UAC asked some clarifying questions and thanked staff for the briefing. Mr. Christensen will provide additional Water Resources utility financial information as requested by Committee members. The UAC also requested more information on the current Maintenance Center and the Waste ReSources debt reserve/rates. A Committee member asked if the City has thought about privatization of Waste ReSources operations with Request for Proposals. Mr. Daniels said the City does not have plans to do an RFP, but has considered privatization three times and each time decided to keep the City garbage/recycling operations.

The discussion will continue at the October 5, 2017 UAC meeting.

7. ADJOURNMENT

The meeting was adjourned.