



Meeting Minutes - Draft

Utility Advisory Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Contact: Andy Haub
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Thursday, April 5, 2018

5:40 PM

City Hall, Room 207

1. CALL TO ORDER (5:40 pm)

Chair Haffner-Ratliffe called the meeting to order.

1.A ROLL CALL (5:40 - 5:41 pm)

Councilmember present:

Councilmember Jessica Batemen

City staff present:

Andy Haub, Water Resources Director

Debbie Sullivan, Administrative Services Director

Thomas Donnelly, Utility Billing Supervisor

Present: 7 - Chair Dever Haffner-Ratliffe, Vice Chair Mike Buffo, Committee member Dennis Bloom, Committee member Luke Bowerman, Committee member Steve Fossum, Committee member Austin Hildreth and Committee member Arland Schneider

Absent: 2 - Committee member Jeremy Twitchell and Committee member Roger Wilson

2. APPROVAL OF AGENDA (5:41 - 5:42 pm)

The agenda was approved.

3. APPROVAL OF MINUTES (5:42 - 5:45 pm)

[18-0318](#) Approval of March 1, 2018 UAC Meeting Minutes

The minutes were approved.

4. PUBLIC COMMENT (5:45 - 5:50 PM)

Thomas, a citizen, provided comment on the Lifeline Rate program. He confirmed that it can be very difficult to pay utility bills on a fixed income because the amount can change from month-to-month.

5. ANNOUNCEMENTS FROM UAC AND STAFF (5:50 - 6:15 pm)

Councilmember Jessica Bateman introduced herself as the Council liaison to the UAC.

She noted that she is Olympia's representative on the LOTT Clean Water Alliance Board and also a member of Thurston County's Solid Waste Advisory Committee.

The UAC added Downtown Toilet Funding as a business item to their May meeting. Amy Buckler, with Community Planning and Development, will provide a briefing to the UAC.

Mr. Haub provided an update on the sea level rise response plan project. The project team is developing specific strategies to protect downtown from sea rise. Staff is planning a joint meeting of elected officials and a community meeting in the fall to review the strategies. Over the summer staff plans to go to individual community groups to further help the community understand the impacts of sea level rise in downtown.

Chair Haffner-Ratliffe provided an update on the recent General Government Committee on March 28th. The Chair and Vice-Chair of each advisory committee attended the meeting. The following list of items were discussed:

- The General Government Committee recommends a change in the process for selecting new committee members. The recommendation is for the respective Chair and Vice Chair review the applications and make recommendations to the General Government Committee. The advisory committee Chair will participate in the interview process by listening and then the General Government Committee will recommend to the City Council the new members.
- The General Government Committee is recommending a three-term limit per person, per committee.
- The Chairs/Vice-Chairs reported that the use of the City email system is a struggle. Chair Haffner-Ratliffe encouraged UAC member to log in and check their City email account at least weekly.
- Reminder that attendance is important. If a committee member cannot attend a meeting, please inform the Chair and/or staff. Per the City's Committee Rules of Procedure, three absences can result in a recommendation for removal from the committee.

6. BUSINESS ITEMS

[18-0321](#) Utility Customer Assistance Program

Mr. Haub provided an overview of the City's current Lifeline Rate financial assistance program for residential utility customers. The City's Finance Committee requested UAC review of this program and is meeting on May 16th to discuss the Lifeline Rates. The UAC has the opportunity to provide feedback to the Finance Committee.

The current criteria for customers to qualify for assistance is:

- Low income and disabled or;

- Low income and over the age of 62.

The income thresholds are based on the median household income levels and based on the number in the household. The City currently has 240 accounts that qualify for a 50% rate reduction of the standard utility rates for water, stormwater, solid waste/recycle and sewer (including LOTT). Participants must re-apply for the program every year.

Key considerations in the evaluation include:

- Target population we seek to assist relative to income levels
- Level of financial assistance or cost we seek to provide through traditional ratepayers
- Potential to assist renters that do not directly pay utility bills
- Ease or cost of administering the program

Staff estimates that removing the age and disability requirement could add significantly more customers that would qualify based on income levels.

UAC members considered adding a donation area to the utility bill format so that customers can donate to a charitable fund. Staff said that administering this would be challenging, but could be done.

Move to provide the following feedback, verbally via Mr. Haub, to the Finance Committee:

- **Support and encourage the expansion of the Lifeline Rate program as staff better develops it.**
- **Proactively market the program and especially try to reach renters.**

[18-0320](#) Storm and Surface Water Financial Analysis and Rate Structure

Mr. Haub provided a briefing of the financial analysis and rate structure of the Storm and Surface Water utility. This item relates to the UAC's review of the Storm and Surface Water Plan and specifically the finance section of the plan. The City hired a financial consultant to review the cost/rate of full implementation of the Plan, which is a 54 percent rate increase. Staff is not recommending this high of a rate increase, but a gradual increase over several years. Staff is planning to propose a 27 percent rate increase by the year 2022. The UAC reviews utility rates every year.

On a related note, Mr. Haub mentioned that staff is holding a public hearing at the City Council meeting on Tuesday, April 10th at 7:00 p.m. for the adoption of the Storm and Surface Water Plan.

Move to authorize staff to proceed with a revised storm and surface water rate structure for UAC's upcoming 2019 rate review.

[18-0322](#) Long-term Utility Finance Strategy

Mr. Haub provided a briefing of the long-term finance strategies for the City's utilities.

This item is in preparation for the upcoming 2019 budget and rate discussions.

He noted that the utilities' debt is manageable and overall creditworthiness is above industry standards. However, long-term needs will continue to challenge the City's goal of keeping customer utility rate increases modest.

Mr. Haub also noted the need for the City to finance the Carpenter Road facility for the future re-location of the Waste ReSources (garbage/recycling) program.

The information was received.

9. ADJOURNMENT

Chair Haffner-Ratliffe adjourned the meeting.