



Meeting Minutes - Final

Utility Advisory Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Contact: Andy Haub
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Thursday, October 5, 2017

5:40 PM

**Maintenance Center, 1401
Eastside St SE**

1. CALL TO ORDER

Vice Chair Haffner-Ratliffe called the meeting to order at 5:41 p.m.

1.A ROLL CALL

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

Absent: 1 - Chair Roger Wilson

2. APPROVAL OF AGENDA

The agenda was approved.

STAFF PRESENT

Public Works Director Rich Hoey
Public Works Water Resources Director Andy Haub
Public Works Waste ReSources Director Dan Daniels

3. APPROVAL OF MINUTES

[17-1016](#) Approval of September 7, 2017 UAC Meeting Minutes

The minutes were approved.

4. PUBLIC COMMENT - No public in attendance

5. ANNOUNCEMENTS FROM UAC AND STAFF

Staff is working on a vulnerability and risk assesment for the sea level rise response plan project. A workshop originally planned for October is now scheduled for early December. At the workshop, staff and the consultant will present the vulnerability and risk assessment and also have preliminary conceptual solutions for responding to high tides in downtown Olympia.

Chair Wilson and Committee member Schneider's terms expire March 31, 2018. Mr. Haub asked them to send an email by October 31 indicating whether they would like to be considered for re-appointment to the UAC. He will reach out to Chair Wilson via email since he was not at the October 5 meeting.

6. BUSINESS ITEMS

[17-1003](#) Maintenance Center Tour

Mr. Hoey and Mr. Daniels briefed the UAC and provided a tour to help them understand the need for a new maintenance facility. Mr. Hoey provided a history of the City of Olympia's Maintenance Center that was opened in 1976. Originally the Maintenance Center was a facility for Intercity Transit buses as well as City Public Works operations. During the tour the UAC asked clarifying questions.

Key points staff discussed included:

- Major systems are at or nearing their end of life
- Challenging environmental conditions at site
- Growing out of space
- Critical facility that does not meet seismic requirements
- City Parks Department is in a building built in 1940's
- Council approved a feasibility study

The UAC thanked staff for the tour and the briefing.

The discussion was completed.

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

Mr. Hoey, Mr. Daniels and Mr. Haub reviewed proposed 2018 utility rates. This was a continuation of the rates agenda item from the September 7 UAC meeting.

For the record, the UAC posed the following questions to staff via email regarding utility rates and the Maintenance Center proposal. Staff responded as follows:

1. Specific to Waste Resources' commercial customers, there was considerable discussion about the tipping fees (per ton) for organics and garbage (the difference in the fees is about \$80/ton). If more commercial customers sorted waste the utility could avoid cost. The utility has a fund balance, why not use a portion to contract for an intensive outreach to commercial customers to overcoming objection to sorting waste? Answer: Funding this type of program through excess reserves is an option for such a program. This is something staff can look into as we confirm a solid sustainable destination for our materials. In 2012, the City worked Closely with staff of Thurston County (TC) and members of the TC Solid Waste Advisory Committee developing a thorough and consistent list of materials acceptable by composting processors. Over the past several months the City and TC have received push back from our local processor as they no longer want nor will they accept many of the materials on the list. The City is working closely with Thurston County staff in developing a sustainable future for the processing of

organic materials. This work will include a Request for Proposals (RFP) for processors and is estimated to begin sometime in mid-2018. Staff wants to make sure the City has a sustainable program before we put together an intensive program.

2. Regarding the Maintenance Center proposal, Phase Two incorporates the proposition that Olympia would perform its own tipping operation to avoid cost. Presently Phase Two is indeterminate. Assuming Waste ReSources staff have a sound understanding of the business model requisite to make this a viable enterprise, why not include it as a means to offset cost, reduce the proposed rate increase and contribute to future debt payments? Answer: Staff will review this option in the 30% design.

3. The proposed Maintenance Center has two phases, Phase One; Maintenance Center with bays, administration and facilities followed by Phase Two: tipping station. Is it feasible to reverse the order to reduce the upfront cost and using tipping to help supplement the cost of Phase II (Maintenance Center)? Answer: Staff is open to including the tipping station into Phase One or reversing the order of the Phases as they go through the 30% design.

Key decisions for UAC tonight:

1) Should the City increase Waste ReSources rates in 2018 to begin accumulating funding for debt service associated with building the Carpenter Road facility? 2) Defer rate increase to a future year. 3) Continue to subsidize residential and commercial organic collections through commercial waste rates.

The UAC expressed verbal support for the following items for staff to bring to the Finance Committee on October 11:

- Move more quickly to the 30% design of Carpenter Road Facility so that staff can return to the UAC with more definitive numbers/rate impacts.
- Supportive of raising Waste ReSources rates four percent in order to build a debt service fund for Carpenter Road Facility.
- Do not raise rates for organics in the hopes the low rates will encourage new customers since the organics tipping fees are much cheaper than garbage fees.

Mr. Haub and Vice Chair Haffner-Ratliffe will attend the Oct 11 Finance Committee meeting.

The UAC made the following motions:

Support the 4% rate increase for Waste ReSources.

Support commercial waste rates subsidizing the organics program.

Support staff recommendations on the 2018 proposed General Facilities Charges.

Support staff recommendations on the draft 2013-2028 Capital Facilities Plan.

The UAC will write a letter to City Council with their recommendations.

ADJOURN

The meeting was adjourned.