



Meeting Minutes

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)

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

OTHERS PRESENT

Olympia Councilmember Jessica Batemen

City staff present:

Water Resources Director/UAC Staff Liaison Andy Haub

Administrative Services Director Debbie Sullivan

Utility Billing Supervisor Thomas Donnelly

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, spoke about the Lifeline Rate program. He said 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 Bateman introduced herself as the Council liaison to the UAC. She noted 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.

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 strategies. Over the summer staff plans to go to individual community groups to 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 28. 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 to review applications and make recommendations to the General Government Committee. The advisory committee Chair will observe during the interview process and then the General Government Committee will recommend new members to the City Council.
- The General Government Committee is recommending a three-term limit per person, per committee.
- The Chairs/Vice-Chairs reported using the City email system is a struggle. Chair Haffner-Ratliffe encouraged UAC members to log in and check City email 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 May 16 to discuss 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.

Income thresholds are based on the median household income levels and 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 who 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 who would qualify based on income levels.

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

The Committee directed Mr. Haub to provide the following feedback 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.

Mr. Haub announced a public hearing at the City Council meeting on Tuesday, April 10 at 7:00 p.m. for the adoption of the Storm and Surface Water Plan.

The Committee authorized 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 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.