



Meeting Minutes

Utility Advisory Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Contact: Andy Haub
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Thursday, September 1, 2016

5:40 PM

City Hall, Room 207

1. Call to Order

Chair Curtz called the meeting to order.

1.A Roll Call

Present: 8 - Chair Thad Curtz, Vice Chair Michelle Barnett, Committee member Dever Kuni, Committee member Roger Wilson, Committee member Austin Hildreth, Committee member Steve Fossum, Committee member Arland Schneider and Committee member Jeremy Twitchell

Absent: 1 - Committee member Chase Gallagher

2. Approval of Agenda

The agenda was approved.

3. Approval of Minutes

[16-0974](#) Approval of August 18, 2016 Special UAC Meeting Minutes

The minutes were approved.

4. Public Comment - None

5. Announcements from UAC and Staff

Water Resources Engineering and Planning Manager Eric Christensen attended the meeting on behalf of Water Resources Director and Staff Liaison Andy Haub.

Mr. Christensen distributed the City's proposed scope of work on sea level rise/climate change. He noted City Council recently adopted an ordinance that requires all new or substantially re-developed properties in the City to have a minimum floor elevation of 16 feet NAVD88. This is two feet above current flood elevations associated with Budd Inlet.

City Manager Steve Hall and Mayor Selby will talk to Senator Patty Murray about sea level rise concerns for small cities and Federal funding options.

Mr. Christensen announced the Great Yards Get Together event at Heritage Park on Saturday, September 10. The event will have information on natural lawn care, music

and activities for kids.

Staff will present the 2017 proposed utility rates to the City Council in a Study Session on September 20 at 5:30. Chair Curtz will attend to discuss the UAC rate recommendations.

Staff will bring the topic of side sewer ownership to the Committee in October. This item was originally on the work plan in May, but staff had to defer the item to get policy guidance from the City's legal staff.

6. Business Items

[16-0975](#) Storm and Surface Water Financial Incentives

Mr. Christensen provided a briefing on the Storm and Surface Water utility rate incentives for retrofits to reduce impervious surfaces.

He explained staff is considering revisions to the rates to incentivize retrofits to reduce impervious surfaces and provide increased levels of stormwater management for commercial properties. This would affect approximately 1,100 accounts. Storm and Surface Water rates are currently billed based on the year the infrastructure was constructed. The City is considering the development of a rate structure based on actual best management practices. The City will consider the creation of a new category for low impact development. This would provide the opportunity to customers for rate incentives/discounts to encourage property owners to provide a higher level of stormwater management or enter stormwater maintenance agreements. The City is considering rates based on both the impervious surface square footage and percentage of coverage.

Staff will bring more detailed information to the Committee about incentives during the upcoming review of the Storm and Surface Water Management Plan update.

The information was provided.

[16-0945](#) 2017 Utility Rate and General Facility Charges (GFC) Recommendations

Mr. Christensen and Waste ReSources Director Dan Daniels provided information on the proposed 2017 utility rates.

Mr. Christensen highlighted drinking water projects in the 2017-2022 Capital Facilities Plan the City plans to defer:

Projects the City will defer for one year:

Small diameter water mains (\$536,000)

AC and aging pipe replacement (\$536,000)

McCormick Street valve house (\$200,000)

Projects the City will defer indefinitely:

Capital Village water main replacement

Projects the City will proceed with only if State loan funding is secured:

Fir Street water tanks #1 and #2 seismic retrofits

Elliott water tank seismic retrofits

Mr. Christensen provided a summary of the 2017 proposed General Facility Charges (GFCs):

The Drinking Water GFC will increase 6.9 percent. The Wastewater and Storm and Surface Water GFCs will not increase in 2017.

Staff and the UAC discussed the costs and rate implications of converting to monthly utility billing. Based on the data provided to the Committee, they do not feel there is enough evidence to justify the cost of changing to monthly utility bills.

The Committee suggested the City begin anticipating the cost of sea level rise in the Storm and Surface Water CFP. Staff will address this funding in the upcoming update to the Storm and Surface Water Plan and in the associated financial analysis. Mr. Christensen mentioned the City recently held an interdepartmental meeting to discuss current science and the need to implement the Comprehensive Plan policies related to sea level rise. The Committee noted funding should not solely be the responsibility of the Storm and Surface Water utility. This was noted by Mr. Christensen and will be passed along to Mr. Haub.

Committee members moved to write a recommendation letter on behalf of the Committee on the 2017 utility rates. The motion was seconded and passed unanimously.

The following summarizes 2017 rate recommendations

Drinking Water - The Committee recommends depreciation funding which makes the rate increase 5.7 percent.

Wastewater - increase of 4 percent

Storm and Surface Water - increase of 6.3 percent

The Committee does not support converting to monthly billing

The UAC suggests the City start anticipating the cost of Sea Level Rise in the Storm and Surface Water CFP

Waste ReSources:

Single family residential account - no increase

Optional yard waste/organics - increase of 6.5 percent

Commercial accounts - no increase

Drop box - 3 percent increase

7. Adjournment

Chair Curtz adjourned the meeting.