



Meeting Minutes

Utility Advisory Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Contact: Andy Haub
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Thursday, June 1, 2017

5:40 PM

City Hall, Room 207

1. CALL TO ORDER

Chair Wilson called the meeting to order.

1.A ROLL CALL

Present: 8 - Chair Roger Wilson, 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

2. APPROVAL OF AGENDA

The agenda was approved.

3. APPROVAL OF MINUTES

[17-0569](#) Approval of May 4, 2017 UAC Meeting Minutes

The minutes were approved.

4. PUBLIC COMMENT - No public comment

5. BUSINESS ITEMS

[17-0570](#) LOTT Clean Water Alliance: Financial Planning and Budget Overview

LOTT Clean Water Alliance Environmental Planning and Communications Director Lisa Dennis-Perez and Finance Director Justin Long briefed the UAC on LOTT's preliminary budget and financial methodologies.

Ms. Dennis-Perez explained the history and purpose of the LOTT Budd Inlet Treatment Plant, which is to provide wastewater management services. LOTT is a partnership between the four local governments of Lacey, Olympia, Tumwater and Thurston County.

Mr. Long explained LOTT's financial planning/budgeting, which is currently in the 2017-2018 biennial budget. This is the first time LOTT developed a two-year budget, after the LOTT Board approved the change to a biennial format in 2016. LOTT is

proposing a two percent rate increase for 2018. He showed a comparison to other jurisdiction's wastewater treatment rates and explained LOTT's rates are average in comparison.

Ms. Dennis-Perez noted how LOTT is always looking for ways to harness renewable resources and conserve energy. The LOTT plant captures methane gas and uses it for heating/cooling of LOTT facilities and the adjacent Hands on Children's Museum.

LOTT staff also provided information on LOTT's multi-year reclaimed water infiltration study. The study will evaluate chemicals (such as soaps, household cleaners, medicines) that remain in water even after treatment. The study specifically looks at what happens when reclaimed water is used to recharge groundwater. LOTT and City staff will keep the UAC up-to-date on the findings of the study.

After some clarifying questions and a brief discussion on the presentation, the UAC thanked LOTT staff for the briefing.

The report was received.

[17-0571](#) Utility Budget and Rates

Water Resources Director Andy Haub and Waste ReSources Director Dan Daniels presented information on the City's preliminary 2018 utility finances. Mr. Haub noted it is still early in the budget and rate process. In general, the utilities are in good financial standing.

The range of preliminary rate increases for each utility are:

Drinking Water:	5 - 8%
Wastewater:	0%
Storm and Surface Water:	6 - 8%
Waste ReSources:	2 - 7%

Mr. Haub presented information on the proposed general facility charges (GFCs) for Drinking Water, Wastewater and Storm and Surface Water. GFC calculations are based on the value of existing and planned infrastructure and the distribution of costs among current and future users. Committee member Hildreth is a member of the City's Missing Middle work group. He noted the group is discussing GFC cost-equity for smaller housing units.

The UAC will continue discussion on City utility finances at the September 7 UAC meeting. At that time, Staff will give more specifics on the 2018 proposed rate and GFC increases for each utility. The UAC will then provide a recommendation to the Olympia Planning Commission and the City Council on the 2018 proposed rates and the Capital Facilities Plan.

UAC members asked for the following financial information to prepare for the September

meeting:

- Year-to-date capital project expenditures vs. projected budget.
- Changes to the projected costs of 2017 capital projects.
- Unanticipated maintenance or repair costs.
- Comparison of utility rates for the other local jurisdictions.
 - Annual average increases
 - Solid waste rates compared to the privatized service providers

The UAC thanked staff for the briefing.

The report was received.

6. ANNOUNCEMENTS FROM UAC AND STAFF

Mr. Haub announced the following:

The sea level rise response planning project is progressing in collaboration with the Port of Olympia and LOTT. A community meeting to present the scope of the planning process is scheduled for Tuesday, June 27 at the Olympia Center. He noted an information card is available on the table that details how interested parties can subscribe to the e-newsletter for the sea level rise planning project.

Mr. Christensen provided updates on the following drinking water construction projects:

- Corrosion control facility
- Log Cabin reservoir
- Fones Road booster station

Mr. Haub noted the City has seen an increase in applications for septic to sewer conversions. This is due to the financial incentives offered by the City and LOTT for partial waivers to GFCs and capacity development charges (CDCs).

Committee member Hildreth provided an update on the Missing Middle Housing work group. The City held some missing middle community meetings recently. The work group plans to discuss utilities at an upcoming meeting.

Chair Wilson noted the availability of the City's annual report to the community called *Onward*. He said an information card is available on the table that details how to view or obtain a copy of the report.

7. ADJOURN

Chair Wilson adjourned the meeting.