

City of Olympia
Utility Advisory Committee Summary Meeting Minutes
Thursday, October 1, 2009
5:30 p.m. to 8:10 p.m.

A. Meeting began at 5:46 p.m.

1. Roll Call

Members Present: Mary Groebner, Dick Allen, Deborah Pinsonneault, Carol Law, Emily Lardner, Karen Rogers, Dean Mason, and Lana Hamilton

Members Absent: Michael Young

Staff Present: Rich Hoey, Dan Daniels, Nanci Lien, Donna Buxton, Andrea Sanchez-Turner, and Jay Burney

2. Approval of Meeting Minutes

- Approved the August 6, 2009, summary meeting minutes.

3. Acceptance of Agenda

- Approved the October 1, 2009, agenda.

B. Comments from the Public in Attendance

No public in attendance.

C. Information Sharing

1. Announcements from Members and Staff

- Jay told UAC that the City Council will meet on November 2 instead of November 3 due to elections. This is the meeting where they will review the operating budget.
- Jay will give the rate presentation to Council on October 13. Dan and Rich will both speak during the presentation. Jay also asked Mary and Emily to attend the meeting and report to Council on UAC recommendations concerning customer rates.
- Emily thanked Karen Rogers for her discussion in support of the UAC during the City Council Candidate meeting earlier in the week.

4. Planning Commission Update

- No Planning Commission update.

D. Business of the Evening

1. Customer Rates Review

- Jay provided a brief background on rates. Tonight is the first time UAC will receive rate recommendation for two consecutive years (2010 and 2011).
- Dan presented Waste ReSources rate recommendations. In order to get to a zero percent rate increase for 2010, Waste ReSources has two options.
 - The first is to dip into reserve funds for approximately \$227,000. The reserve funds have approximately \$1 million dollars in excess of the required balance. A large portion of this excess is slated for cart replacement.
 - The second option is to come up with the \$227,000 by cutting operating costs.
- Dan presented both options to Steve Hall, however, we are unaware of which option he will chose.

- Dan also said 2010 rates affect 2011 rates, but he believes the 2011 rates will be one percent across the board.
 - Staff must notify customers about rate increases 45-days before they go into effect. This is included in our rate communications with our customers.
 - Rich provided an overview of Water Resources rates recommendations. There is a total of 3.77% cumulative rate increase for our customers for 2010.
 - The rates for Drinking Water are based on the financial strategy outlined in the *2009-2011 Water System Plan (WSP)*. The WSP calls for a five percent revenue requirement increase in 2010 followed by a six percent increase in 2011.
 - In Wastewater there is a 12 percent rate increase proposed for 2010 due to significant capital expenditures (approximately \$14 million) and a five percent rate increase projected for 2011.
 - In Storm and Surface Water there is a zero percent proposed rate increase for 2010 and an 8.5 percent increase in 2011.
 - UAC members voted to approve staff customer rate recommendations as presented with the understanding that they are still not sure which option in Waste ReSources Steve will approve. Mary and Emily will present the UAC letter to Council on October 13.
2. *Customer Rates Communication*
- Jay distributed a copy of the utility rate brochure and fact sheet from last year.
 - Last year fact sheets were available at City offices for customers, however, there was little to no interest in the fact sheets. As a result, there will be no fact sheet available this year.
 - Gateway Services will continue to conduct training with the Utility Billing staff, post the information on the website, and mailing it to current utility customers.

Meeting adjourned at 8:10 p.m.