



UTILITY BOARD REGULAR MEETING MINUTES OCTOBER 14, 2014

CALL TO ORDER:

Vice Chair, Kwan Wong called the regular meeting of the Utility Board to order at 7:03 p.m. in the Council Chambers at City Hall, 9611 SE 36th Street, Mercer Island, WA.

ROLL CALL:

Vice Chair, Kwan Wong, Tom DeBoer, Steve Milton, Susan Kaltenbach, Tim O'Connell, Wendy Weiker, and Council Liaison Debbie Bertlin were present. Chairman Ben Levie attended via conference call.

City Staff: Glenn Boettcher, Maintenance Director, Chip Corder, Finance Director, Francie Lake, Deputy Finance Director, Terry Smith, Maintenance and Operations Utility Manager, Rona Lin Water Utilities Engineer and Asea Sandine, Recording Secretary were also present.

MINUTES:

O'Connell moved to approve the minutes from the September 9, 2014 meeting. Weiker seconded the motion. The Commission unanimously approved the minutes.

REGULAR BUSINESS:

BOIL WATER ADVISORY

Boettcher shared a PowerPoint regarding the recent Boil Water Advisory and advised that the action plan is evolving and includes short term and long term goals. Boettcher thanked the Cities of Bellevue and Issaquah for lending their staff and equipment to assist with the flushing during the Boil Water Advisory. The Board discussed the increased chlorine levels. Levie suggested that if the chlorine remains at an elevated level it would be a good idea to do some public outreach regarding the chlorinated water. The Board commended and thanked staff for their hard work on the Boil Water Advisory.

FOLLOW UP SEWER DISCUSSION

Smith provided an overview of the general responsibilities of the sewer crew and included what is currently not accounted for. The current workload equates to 3.25 full time employees (FTE). Staff also presented advantages and disadvantages if outsourcing was to be considered.

Motion: Moved by Milton, seconded by O'Connell to recommend Sewer Rate Scenario C for 2015-2016, as tentatively recommended at the September 9, 2014 meeting. The motion carried unanimously.

2015-2016 WATER BUDGET AND RATES

Lake provided a high level overview outlining two water rate scenarios A and B. Lake advised that on the operating side, the cost of water is going down. However; capital costs are going up. Both rate scenarios reflect \$150,000 in additional revenue above that which was budgeted in 2014 as a result of the warm dry summer. Rate scenario B anticipates the need for new expenses (in addition to the same expenses included in rate scenario A) in response to the recent Boil Water Advisory. Staff does not yet

know the scope or nature of the new expenses. However; Finance has added an estimated \$250,000 per year to Scenario B as a placeholder. Staff will have a better idea of expenses in November after the report from Confluence is received.

Motion: Moved by O'Connell, seconded by Milton, to recommend water rate scenario B. The motion carried unanimously.

EMS RATES

Lake provided the Board history of how the utility was established in 1996 with the purpose of funding four firefighters in order to handle simultaneous EMS calls. The proposed 2015 rate increase is 1.79%.

Motion: Moved by O'Connell, seconded by Milton, to recommend the proposed rate increase of 1.79%. The motion carried unanimously.

NEXT MEETING: The next scheduled meeting is November 13, 2014.

ADJOURNMENT: 8:50 p.m.

Asea Sandine
Recording Secretary