



CITY OF  
BAINBRIDGE ISLAND

UTILITY ADVISORY COMMITTEE  
REGULAR MEETING  
WEDNESDAY, JANUARY 23, 2019  
5:00 PM – 7:00 PM  
CITY HALL  
COUNCIL CONFERENCE ROOM  
280 MADISON AVENUE NORTH  
BAINBRIDGE ISLAND, WA 98110

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## AGENDA

1. CALL TO ORDER / ROLL CALL / ACCEPT OR MODIFY AGENDA /  
CONFLICT OF INTEREST DISCLOSURE  
5:00 PM  
  
CO-CHAIR: ANDY MARON  
CO-CHAIR: JEFF KANTER  
  
MEMBERS: CHARLES AVERILL      NANCY NOLAN  
              STEVE JOHNSON      EMILY SATO  
              TED JONES  
  
LIAISON: RASHAM NASSAR
2. ACCEPTANCE OF MEETING MINUTES FOR JANUARY 9, 2019 – 5 MIN.
3. PUBLIC COMMENT – 5 MIN.
4. PUBLIC WORKS UPDATE (BARRY LOVELESS) – 10 MIN.
5. MEMO TO COUNCIL RE PERIODIC REVIEW OF UTILITIES – 20 MIN.
6. WATER & SEWER RATE STUDY (FCS GROUP) – 50 MIN.
7. COMMENTS FOR THE GOOD OF THE ORDER
8. ADJOURNMENT  
7:00 PM

## Minutes

Present: Co-Chairs: Andy Maron, Jeff Kanter

Members: Emily Sato, Ted Jones, Nancy Nolan, Steve Johnson, Charles Averill

Council Liaison: Rasham Nassar

Staff: Barry Loveless

1. The meeting was called to order at 5:04 p.m.
2. The December 12, 2018 **minutes were unanimously approved.**
3. There was no **Public Comment.**
4. **Public Works Update:** Barry Loveless reviewed the latest projects undertaken by the Public Works Department including a change order made to the improvements made at the Village Pump Station. A force main will be shortened at the Village Pump Station to ensure that the station will be fully operative and can service a “full build out” of the area in the future.

The Old Treatment Plant is the next planned project.

Public Works repaired a sewer line on South Madison after Comcast mistakenly drilled through the line.

5. **Annual Report and Work Plan:** The committee reviewed and unanimously approved the UAC's Annual Work Plan and Report to the Council after discussing several amendments to be made to the current report.

There was considerable discussion about which utility should be first “periodically” reviewed by the City as noted in section C of the Work Plan. It was agreed that language should be added which informs the City Council about utility franchise renewal dates as researched.

The committee discussed recommending that the Electrical Utility be reviewed first due to its size and environmental concerns about increased wildfire danger here on the island, among other things, but the committee agreed to refer the matter to the City council on the timing of utility review. Language will be added to Section “C” that outlines additional suggested issues that could be considered by the council when determining the timing of utility reviews. A separate letter to the council will be initially drafted by a UAC subcommittee concerning issues to be considered when selecting utilities to be reviewed.

The word “Study” was added to both Sections “D” and “E”.

6. **Rate Study:** Since the committee's last review, during the budget process the Council has added some costs to the utilities including additional studies and the hiring of additional personnel to ensure succession planning. The Council has also approved the Committee's recommendation concerning new system participation fees and these additional costs and future fees have been incorporated into the forecasting.

There was discussion about raising sewer rates based upon the adoption of a capitalization fund as currently recommended in the draft rate study. Some committee members noted that current rate payers are paying off a bond obtained to pay for past upgrades to the treatment plant. Should the Rate Study just anticipate another bond to pay for future upgrades instead of raising rates to pay for a capitalization fund as currently anticipated in the study?

The committee thus asked Barry to obtain debt service numbers through 2030 from FCS Group to see how capitalization numbers are affected after sewer debt service is retired.

The water system is not currently paying off a bond. The Study anticipates a water system bond in 2021 (for the reservoirs project.)

The committee asked Barry to also obtain actual scenarios for representative non-residential sewer customers from FCS Group and to add projected water rates to these scenarios to get a better sense of the impact on non-residential customers of rate increases projected by the rate study. (i.e. Add water rates to Page 10 of study "Sewer Rate Alternatives.") The committee would like some research on how many commercial properties are just paying the base rate for sewer and no volume rate.

7. There were **no Comments for The Good of the Order.**

8. The **Meeting was adjourned** at 6:52 p.m.

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Andrew Maron and Jeff Kanter, Co-chairs 1/23/19