



## UTILITY BOARD REGULAR MEETING MINUTES OCTOBER 11, 2016

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### **CALL TO ORDER:**

Chairman Kwan Wong called the regular meeting of the Utility Board to order at 7:00 p.m. in the Council Chambers Room at City Hall, 9611 SE 36th Street, Mercer Island, WA.

### **ROLL CALL:**

Chairman Kwan Wong, Vice Chair Tim O'Connell, Tom DeBoer, Susan Kaltenbach, Stephen Milton, Will Pokorny, Brian Thomas and Council Liaison David Wisenteiner were present.

City Staff: Chip Corder, Finance Director, Francie Lake, Deputy Finance Director, Jason Kintner, Public Works Director, Brian McDaniel, Utilities Operation Manager, Anne Tonella-Howe, Assistant City Engineer and Asea Sandine, Recording Secretary were also present.

### **MINUTES:**

O'Connell moved to approve the minutes from the September 13, 2016 meeting. Thomas seconded the motion. The Board unanimously approved the minutes.

### **REGULAR BUSINESS:**

#### **WATER RATE UPDATE**

Lake presented the 2017-18 Preliminary Budget for the Water Utility. She noted that the proposed operating budget for the most part is status quo, in that there are no significant changes. The Board inquired about the possibility of reviewing the rate study structure methodology. Staff advised that the review would require a consultant and Council would have to appropriate funds. Staff would prefer bringing this topic forward in 2019-2020 as a general work plan item. The Board inquired about the water main replacement criteria. Staff reported that as part of the Boil Water response, Confluence Engineering will be drafting a water quality element to include in the matrix for main replacements. Staff will update the Board in 2017 regarding the replacement criteria. Lake noted that after the immediate response items from the Boil Water Advisory Event are completed, additional funding could be directed to additional water main replacements. In addition, Lake proposed two rate scenarios for the Board's consideration. Staff recommends rate Scenario A which is a 5.5% rate increase smoothed over 2017-2022 that will generate the funding needed to address the post water contamination event capital work.

**Motion:** Moved by O'Connell, seconded by Thomas to recommend Scenario A, a rate increase of 5.5% for 2017-2022. The motion carried unanimously.

#### **EMERGENCY MEDICAL SERVICES (EMS) RATE UPDATE**

Lake presented the 2017 EMS Rate update and noted that the model is intended to adjust the rates charged to the various customer classes primarily based on the most recent two year call history and current customer account data. There was no rate increase in 2016. Staff proposes a rate increase of 4.10%, the difference between the adopted 2016 and the proposed 2017 rate.

**Motion:** Moved by Thomas, seconded by DeBoer to recommend rate a 4.10% rate increase. The motion carried unanimously.

**WORK PLAN**

Kintner noted the next scheduled meeting will be held on November 29th. King County will present updated information the King County North Mercer Interceptor Project. City Council will also be invited. Tonella-Howe shared that King County selected a preferred alternative within the last few weeks. Lake invited the Board, especially the Chair and Vice Chair to attend the November 21<sup>st</sup> 2017-2018 Preliminary Budget review meeting in which the Council will review the Utility Rate recommendations.

**NEXT MEETING:** The next scheduled meeting is November 29, 2016.

**ADJOURNMENT:** 8:20 PM

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Asea Sandine  
Recording Secretary