



## UTILITY BOARD REGULAR MEETING MINUTES SEPTEMBER 13, 2016

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### **CALL TO ORDER:**

Chairman Kwan Wong called the regular meeting of the Utility Board to order at 7:01 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, Stephen Milton, Will Pokorny, Brian Thomas and Council Liaison David Wisenteiner were present. Susan Kaltenbach was absent.

City Staff: Francie Lake, Deputy Finance Director, Jason Kintner, Public Works Director, Brian McDaniel, Utilities Operation Manager, and Asea Sandine, Recording Secretary were also present.

### **MINUTES:**

DeBoer moved to approve the minutes from the July 12, 2016 meeting. Pokorny seconded the motion. The Board unanimously approved the minutes.

### **REGULAR BUSINESS:**

#### **SEWER RATE UPDATE**

Lake outlined the 2017-2018 preliminary budget for the Sewer Utility. She noted that the proposed operating budget for the Sewer Utility is status quo, with no significant changes to the level of operation and maintenance. Lake presented two rate scenarios (A and B) for the Board's consideration. Rate scenario A proposes a smoothed rate increase of 5.2% for 2017-2022 and forecasts a fund balance of \$2.0 million by 2022. Rate scenario B proposes a smoothed rate increase of 5.7% for 2017-2022 and forecasts a fund balance of \$2.5 million by 2022. Both rate scenarios include funding accumulation towards Sewer Lake Line Reach 4, a goal identified by staff and the Board to begin in 2015.

**Motion:** Moved by Thomas, seconded by DeBoer to recommend Scenario B, a rate increase of 5.7%. The motion carried 4/2 (Milton and O'Connell dissenting)

#### **STORM RATE UPDATE**

Lake outlined the 2017-18 preliminary budget for the Storm Utility. She added that the proposed operating budget reflects a service addition for Closed Circuit Television (CCTV) inspections. Historically, some CCTV work has been performed as part of a CIP projects "Drainage System Video Inspection Program", which was started in 2013 with funding of \$30,000 per year. She presented two rate scenarios (A and B). Scenario A proposes a smoothed rate increase of 3.8% for 6 years. Scenario B proposes a smoothed rate increase of 2.6% over 6 years without the CCTV program and maintains status quo for the operations and maintenance of the storm water utility. She shared that the staff recommendation is for rate scenario A.

**Motion:** moved by O'Connell, seconded by Pokorny to recommend rate scenario A. The motion carried unanimously

Lake finished by sharing a preliminary estimate of anticipated impacts to the 2018 Utility Rates (Water, Sewer, and Storm Water). She shared the plan to renovate/expand the Maintenance Building. The proposed financing is to split the cost 50/50 between utility rates and voted debt.

### **WORK PLAN**

Kintner shared the General Sewer Plan draft may be concluded in November and is scheduled to go to Council in December. Kintner advised that staff may not be ready for a joint meeting to discuss the King County North Mercer Interceptor Project. However, staff could present updates for Stormwater and NPDES, which is also on the schedule. The Board concluded they would like an update on the King County North Mercer Interceptor Project and proposed staff look at other dates for the November meeting. Wong inquired about the Boil Water Event efforts. Kintner shared staff is moving forward with the installation of a water quality analyzer to be installed by the end of October 2016; staff are working with lakefront property homeowners to become compliant with retrofitting backflow assemblies as part of the Cross Connection Control Program; staff is working on Phase Three of the stand-alone air vac vault retrofits. Design is expected to be completed this fall, with construction continuing into 2017. Final elements of the Boil Water Response will be completed in the next budget biennium (2017-2018), including the proposed booster chlorination station construction.

**NEXT MEETING:** The next scheduled meeting is October 11, 2016.

**ADJOURNMENT:** 8:37 PM

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Asea Sandine  
Recording Secretary