

6/8/15 UAC meeting

Meeting called to order to 5:30 p.m.

Attendance:

UAC members present: A. Maron (Chair), J. Kanter, N. Nolan, E. Sato

UAC member absent: S. Johnson

Barry Loveless, Public Works Director, present.

Members of the public: Steven Leach, Brian Dan Hamlin (Parks), Lee Cross (Parks Commissioner), Robert Dashiell

1. Approved meeting notes of May 21, 2015.
2. Public Comment: Lee Cross said the committee was moving in the right direction on the changes to the SSWM rate structure. R. Dashiell asked about timing of approval of the changes in the rate structure by the city council. S. Leach asked about financial accounting or feedback on the impacts of the discussed revisions to the rate structure, and also spoke against discount for park district properties, stating one government should not "subsidize" another government's activities.
3. SSWM Utility:
 - (i) Loveless submitted and discussed a timeline from June to December for implementation of any revisions to the rate structure.
 - (ii) Loveless presented a revised PowerPoint listing the key features of the UAC's tentative recommendations. The committee discussed the PowerPoint, and made minor wording and formatting changes. The committee decided to change the proposed discount for very low intensity developed property from 70% to 50%.
 - (iii) Maron then presented a draft recommendation summarizing the committee's work regarding the SSWM rate structure. After a number of amendments and revisions to the draft, the recommendation was approved unanimously. A copy of the revised recommendation is attached.

Meeting adjourned at 7:35 p.m.

 6/22/15
Andy Maron, Chair

City of Bainbridge Island
Utility Advisory Committee Report to City Council
Regarding SSWM Fees
June 8, 2015

The Utility Advisory Committee (UAC) has spent significant time this spring reviewing the city's Storm and Surface Water Management (SSWM) utility. The UAC began its work by reviewing in detail the Public Works Department's lengthy analysis and report regarding the utility. The committee then discussed the utility's revenue requirement by examining its operating and capital expenses. Last, the committee analyzed the current rate structure.

In short, the UAC has concluded that the projected expenses of the utility exceed its revenue, and the utility's reserves are sufficient to cover the shortfall for only a few years. Thus, the UAC believes that, within the next year or so, the utility needs to reduce expenses or increase revenue, or both. The committee is not yet ready to make final recommendations on those subjects.

Regarding the existing rate structure, City staff has identified ambiguities and concerns. The UAC has considered those issues, and has developed recommendations for some changes. These are being brought forward now because of the lead-time necessary to implement them in time for the 2016 property tax statements. Those changes are contained in summary form on the enclosed spreadsheet. In short, the major changes are:

- Changing the categories from *single family residential* and *commercial/multiple* to *single family residential* and *other developed property*;
- Eliminating a charge for packed dirt and cleared land on *other developed property*;
- Adding a 50% discount for very low intensity developed property (like parks) ;
- Adding an additional charge for *single family residential* for separate individual buildings in excess of 3000 square feet;
- Providing that farms required to have a city business license will be considered in the category of *other developed property*.

The City staff will examine the financial impact of these changes on the overall revenue for the utility, and report back to the UAC and council to see if any adjustments to the above changes should be made. Meanwhile, the UAC will continue its review of the services and expenses of the SSWM utility and make further recommendations.

Approved by the UAC at its regular meeting on June 8, 2015 by a 4-0 vote.



Andrew W. Maron, Chair
Jeff Kanter
Nancy Nolan
Emily Sato
Steve Johnson (absent)