

Administration:

- Members Present: Laura Markley, Alice Lanczos, Tom Grant, Ross Gilliland, Kris McArthur
- SPU Staff Present: Dave Hilmoe, Julie Burman, Sherri Crawford, Sue Morrison

Meeting called to order at 3:30PM

AGENDA TOPICS:**SPU Water Rates Status****Sherri Crawford,
SPU Finance**

Proposed water rate increase will provide debt service coverage to convert variable rate debt to fixed rate debt which is more secure. Changes will allow SPU to keep current bond rating. Declining customer demand for water is driving rates as well as gap between consumption and what was previously forecast. Next rate study may require a review of SPU's rate structure. Sherri would like to include committee members in that process. It isn't believed that water consumption will return to the levels they were previously at for quite some time. Questions have been raised regarding whether or not there should be a third rate tier. It has also been asked if the tiers should be shifted. Following review by the Mayor, Ray Hoffman is now talking with Council members.

SPU Water Rate Communication**Susan Stoltzfus,
SPU Communications**

Susan is crafting information for customers on the increase. Feedback provided by the committee has been very useful and has been used to refine communications. As background, SPU is providing media with the "Circle of Blue" article which stated that prices are rising an average of 9% in major U.S. Cities. San Francisco is implementing a 12.9 rate increase. SPU invited the media to the water quality lab along with the release of the drinking water quality report. There was some coverage on channels 13 and 5. Announcement will be made on June 30th as well as web content being published. Typical residential customer will see approximately a \$2.30 increase per month. WSAC members responded that comparison with other cities is interesting, but customers want to know the impact on their bills. It was suggested that the \$ amounts be shown in two month increments to correspond to the billing cycles. Susan thanked the committee for their input thus far and encouraged comment after hearing media commentary

SPU Water rates – WSAC Discussion**Tom Grant, WSAC**

Tom asked for additional reactions from the committee related to Sherri and Susan's presentations.

SPU Water Demand Forecast – Preliminary WSAC Feedback**Ross Gilliland, WSAC**

Ross and Alice met with Bruce Flory and reviewed committee comments. Tom Grant felt that the committee can give opinion on whether or not Bruce's assumptions are reasonable. One takeaway and suggestion to Bruce was to provide more written information about the numbers and assumptions he uses in the WSP Appendix.

**Preview of Water Use Efficiency Goal (2013-2018)
and WSAC involvement**

**Julie Burman, SPU
Water Conservation**

Julie previewed key components developed by SPU including the draft list of **why** regional water conservation, **what** programs and services, and **how** to measure the goal. She also provided a proposed WSAC schedule. Sources of conservation, current regional programs, behavior/messaging measures, and growth in population and water consumption statistics were overviewed. For the July meeting there will be a discussion of why we are doing conservation for developing the "WUE" Goal for the 2013 WSP. WUE = **Water Use Efficiency**. Need to determine what programs and services there will be for customers, and what kind of goals will be set. Julie would like WSAC's input before Ray Hoffman meets with wholesale customers in the Fall to determine the WUE Goal. Julie would like to work a WSAC member to setup discussion with the committee.

WSAC Business

Alice Lanczos

May meeting notes reviewed and accepted as written.

Cedar River watershed tour will be held Saturday, September 10th. Sue will acquire information regarding parking at the watershed and if members can park at the education center.

Members were asked to look at calendars to determine if they will attend a July meeting.

Julie will check with Bruce Flory regarding availability to provide WSAC with an update.

A committee photo will be taken at the next meeting.

August meeting will be held August 17th.

Meeting adjourned at 5:35PM.