CALL TO ORDER:
The meeting was called to order by Chair Swenson at 6:30 p.m.

APPROVAL OF AGENDA

Motion made by Commissioner Morin, seconded by Commissioner Mach, to approve the agenda as presented. Motion passed unanimously (6-0).

ORAL COMMUNICATIONS

None

WELCOME NEW COMMISSIONER & COUNCIL LIAISON

- The Commission welcomed new Commissioner Sanjay Kumar who introduced himself.
- The new Council Liaison Ernie Simas also introduced himself. He thanked outgoing commissioners Swenson and Mach for their service and commented that new commissioners would be appointed soon.
5. **APPROVAL OF MINUTES**

February 2, 2017 Regular Meeting Minutes

Motion made by Strom, seconded by Commissioner Schreiner, to approve the February 2, 2017 minutes as amended. Motion passed unanimously (6-0).

6. **REPORTS AND SUMMARIES**

- **ESC Calendar/Council Calendar**

  The CIP Tour has been moved from July up to May 4 due to projects that are in active construction such as the Lakeline Replacement Project in Meydenbauer Park. A visit of the South Portal for Sound Transit work will also be on the tour. This is not a utilities project, but has a significant impact on utilities. He reminded everyone to bring boots for the tour.

- **Conservation & Outreach Events & Volunteer Opportunities**

  These were reviewed as distributed on the memo.

7. **NEW BUSINESS**

- **AMI Implementation at Sammamish Plateau Water & Sewer District (Memo)**
  
  *Presenter: Scott Jonas, Operations Manager – Sammamish Plateau Water & Sewer District*

  Mr. Jonas reviewed the overview/background on Sammamish Plateau Water and Sewer District’s (District) conversion to AMI. He explained there was an aging meter infrastructure to begin with, and the existing meters needed replacement. Meter reading is very labor intensive, and the existing district technology is lagging. Evolving technology of AMI presents opportunities for efficiencies and enhanced customer service. The District did a general cost comparison of AMI versus status quo (2014) which indicated AMI could save the ratepayers money over a 20-year period. Justifications for AMI were lower personnel and operating costs, enhanced meter reading accuracy, reduced unaccounted water loss, enhanced leak detection capability through real time meter reading capability, and enhanced customer service through leak detection capability and access to account data. Additionally, meter readings can be obtained at predetermined intervals or on demand. AMI provides enhanced water quality monitoring by providing reverse flow data, allows for collection of consumption and demand data within sub-areas of the district, and enables enhanced hydraulic modeling for water management and planning through the collection and analysis of real time consumption and demand data.
Mr. Jonas then reviewed the process for vendor selection. He explained that proposals varied significantly in equipment, scope, and cost. No two proposals are identical so they were difficult to compare. All respondents had successful implementations; most have also had challenging installations and bad press. All respondents have some element of proprietary technology. Technology continues to evolve. The meter battery life will still be an unknown, but 20-year life is expected. Telecommunication technology varies. Mueller was selected because the District wanted a partner for the full 20-year system. The District wanted a company that is a leader in technology partnering. Mueller has excellent customer service and support. The proposal was strong on features for system management. Mueller offers the best hydraulic modeling and GIS integration. Mr. Jonas stated that Sammamish Plateau’s water portal will go live in July of 2017. He reviewed an example of what the portal would look like including the water analytics dashboard, customer analytics, leakage analytics, and customer class analytics. Mueller also has a mobile app, rollout and marketing assistance, complete cloud-based solution, and customer portal.

Mr. Jonas then reviewed the District’s process for meter deployment. He discussed the importance of planning and reviewed steps the District took to prepare for the transition including meter box evaluation and replacement, installation and testing of infrastructure, critical water use customers identified, test integration with billing system, public outreach, and creation of standard operating procedures (SOP) for installation and new processes. The District selected Keystone for the installation process who installed about 18,159 meters, transmitters and set up radio reads from 4/11/2016 to 11/11/2016. GPS of all locations was placed on the ESRI map with all other assets.

Mr. Jonas reviewed how the District reached out to customers prior to deployment via articles, website, and social media sites. Customer service staff is currently calling all customers who register three days of continuous use through their AMI meters. The District will be implementing a customer portal in 2017 so customers will be able to pay their bills, track consumption. The District will implement a marketing campaign to assist customers in accessing the portal.

Benefits realization includes reduced time on account closeouts, leak detection and notification (1 day versus 60 days), water production versus usage, timely billing cycles, alerts in meter tampering, backflow, continuous and no use, and reduced unaccounted for water. The portal kickoff for customer use will be in July of 2017.

The need for field level meter reading will be rare. It has created a need for change of job responsibilities of field staff. There are more leak detections which requires more time contacting customers regarding leaks. Preparation
of bills has changed for office staff as they are also responsible for monitoring alerts.

Mr. Jonas shared challenges and lessons learned. He recommended that prior to installation of AMI system the following should be performed: inspection of meter boxes to accommodate new meter and radio, meter change out of non-compatible lids, correction of irrigation issues to reduce standing water, tests of AMI infrastructure, and acquisition of permits. The integration with the City’s billing system is critical. Processes that should be in place before installation begins are accounting for new meters dropped before project launched and determining which meters will be kept.

Commissioner Questions:

Commissioner Morin asked if the homeowners have the ability to tell what pressure is coming into their house. Mr. Jonas replied that they do not. He explained how the pressure would be monitored and managed by the District.

Commissioner Strom asked if customers are seeing any benefit to this. Mr. Jonas replied that they are, especially those who have been alerted to leaks.

Commissioner Morin asked how below grade meters are situated. Mr. Jonas explained that the transmitter is flush with the top of the meter box. He noted that it may be necessary to change the top of some of the lids to make the transmitters work.

Commissioner Morin asked how identifying unaccounted for water loss translates to savings. Mr. Jonas replied it wouldn’t, but it would tighten up the system.

Commissioner Kumar asked about the gap between the top two vendors. Mr. Jonas replied there was a significant gap, but there were many factors besides cost that were considered.

Commissioner Strom asked how the District would recover capital costs. Mr. Jonas explained that the District would have had to replace meters anyway because they were getting old. The additional $5M for the capital costs for changing out the meters, adding the transmitters, and putting up infrastructure would be recouped by lowering operating costs. The District has gone from three people down to one person and from three trucks down to one truck.

The Commission thanked Mr. Jonas for the informative presentation.

• 2016 Financial Report (Memo)  
Assistant Director Liu reviewed foundational policies that guide the Utilities financial management. Highlights were that all utilities ended 2016 in positive financial condition. Utilities will continue to operate efficiently and manage its resources prudently and responsibly.

Water - Martin Chaw stated that the Water Utility ended in positive financial condition. Operating revenues were sufficient to meet operating expenses. Service revenues were higher than anticipated reflecting higher water sales. He discussed challenges of forecasting water consumption and how weather affects water consumption. Water ended 2016 with a fund balance of $19,591,000 ($3,200,000 Equipment Replacement Reserves, $6,000,000 AMI Implementation in 2017, and $10,391,000 Operating Reserves).

Commissioner Kumar asked about the actual impact on the change in revenue with the change in water consumption levels. Assistant Director Liu explained that the budget is based on a typical consumption year.

Sewer – Operating revenues were sufficient to meet operating expenses. There was no excess fund balance to transfer to R&R. This utility ended with a fund balance of $7,248,000 ($2,400,000 Equipment Replacement Reserves and $4,848,000 Operating Expenses).

Storm – This utility ended 2016 in positive financial condition. Service revenues were approximately on budget and sufficient to meet operating expenses. Expenditures were below budget due to operational savings. This utility ended with a fund balance of $4,188,000 ($2,800,000 Equipment and Replacement Reserves $1,388,000 Operating Reserves).

Solid Waste – this utility ended 2016 in a positive financial condition. Revenues exceeded expectations largely due to payments from Republic Services. Mr. Chaw explained that Republic did not earn its entire performance bonus for recycling so a portion of that was returned back to the City. The 2016 ending fund balance was $1,733,000 which will serve as Operating Reserves.

Commissioner Morin asked what would happen in the event that Republic goes out of business or strikes or something. Assistant Director Liu stated that there are provisions within the contract which cover those types of situations. Director Otal noted if the City needed to contract out for those services those would come out of operating reserves.

Mr. Chaw concluded that all utilities are compliant with financial policies and are financially self-sufficient. The utilities are beginning 2017 in a strong financial condition. Staff will closely monitor 2017 financial performance and will continue fiscal prudence and long-term financial planning.
8. **COMMISSION REPORT**

Chair Swenson reported on a program his wife was involved with regarding STEM education in schools. She had invited Director Nav Otal who showed up with four members of her team to share with the young women. Chair Swenson thanked her and her staff for their enthusiastic presentation and participation.

9. **DIRECTOR'S OFFICE REPORT**

The May meeting will be the last meeting for Commissioners Keith Swenson and Ticson Mach. After that there will be two openings that will need to be filled. Director Otal thanked them both for their excellent service. There will also be a need to elect a new Chair at the June meeting.

Staff plans to bring an AMI communications plan to the Commission in the summer.

Commissioner Mach asked how the costs for Sammamish compare to the estimated costs for Bellevue. Deputy Director Lee commented he would need to look at their full numbers because the District did quite a bit of work, such as meter box replacements, before the vendor got on board. They also have contracts with two vendors for different parts of it. Nav Otal commented that it looks like Bellevue is in the ballpark for similar costs.

Pam Maloney will be retiring at the end of May.

10. **CONTINUED ORAL COMMUNICATIONS**

None

11. **ADJOURNMENT**

The meeting was adjourned at 8:10 p.m.