



November 20, 2013

Olympia City Council
PO Box 1967
Olympia, WA 98507- 1967

Dear Council Members:

SUBJECT: 2014 General Facility Charges (GFC) Recommendations

As noted in our rate recommendation letter dated October 26, 2013, the Utility Advisory Committee reviewed proposed GFC's for 2014 at our November 5 meeting this year, rather than in October with utility rates.

General Facility Charges (GFCs) are defined in our Capital Facilities Plan as the, "Payment of monies imposed for development activity as a condition of granting development approval in order to pay for utilities needed to serve new development". The UAC concurs with staff recommendation for increases in the GFCs for each utility listed below. The proposed increases in both Drinking Water and Storm and Surface Water are based on evaluation of the *Engineering News Record's* Seattle Construction Cost Index (CCI). For the Wastewater Utility, the GFC was reviewed and updated based on a 20-year planning timeframe in the recently adopted 2013 Wastewater Management Plan. A similar effort will occur for the Drinking Water and Storm and Surface Water utilities in the next few years, as part of master plan updates.

City of Olympia - General Facility Charges	2013	2014	% Increase	Source
Drinking Water	\$3,209	\$3,456	7.7%	Seattle CCI
Wastewater	\$3,198	\$3,342	4.5%	Updated Wastewater Plan
Storm and Surface Water	\$999	\$1,076	7.7%	Seattle CCI

Thank you again for the opportunity to comment. Please let me or Barbara Day, UAC Vice-chair, know if you have any questions.

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Sincerely,



THAD CURTZ

Chair

Utility Advisory Committee

TC/lmm

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ec: UAC Members

Steven R. Hall, City Manager

Rich Hoey, P.E., Director of Public Works

Dan Daniels, Director of Waste ReSources

Andy Haub, Interim Director of Water Resources