



August 5, 2013

Jerry Parker, Chair  
Olympia Planning Commission  
c/o Amy Buckler, Associate Planner  
City of Olympia  
PO Box 1967  
Olympia, WA 98507-1967

Dear Chair Parker:

**SUBJECT: Utility Advisory Committee (UAC) Review of Draft 2014-2019 Capital Facilities Plan**

At our June 6, 2013 meeting, the UAC reviewed the draft Drinking Water, Wastewater and Stormwater sections of the draft *2014-2019 Capital Facilities Plan* (CFP). Andy Haub, P.E. (Planning and Engineering Manager, Public Works) and Clark Halvorson (Water Resources Director) facilitated the review, answered questions, and took note of the committee's suggestions and comments. The UAC has not discussed the rate implications of this CFP; this is scheduled for our September meeting.

The UAC is aware that the Olympia Planning Commission will hold a public hearing on the preliminary CFP on Monday, August 5, and will then deliberate before sending final recommendations to the City Council. The UAC's comments on the draft CFP are as follows:

**Drinking Water Utility**

The UAC expresses support for the proposed Drinking Water CFP with the following comments:

- The Drinking Water chapter of the draft CFP is consistent with the 2009-2014 Water System Plan.
- The CFP includes approximately \$18 million in capital projects, a decrease from last year's CFP. The Drinking Water Utility has been in a very capital intensive period making large investments in the water system infrastructure and acquiring significant water rights. This work will be completed in the next two years and the Utility will move more toward an operations and maintenance focus which will reduce the funding requirements considerably.
- Primary investments are in transmission/distribution and storage projects. This includes \$7.5 million for a new reservoir to improve storage capacity in Southeast Olympia and seismic retrofits to the Elliott and Fir Street reservoirs, \$5.4 million for improving transmission and distribution facilities, and \$3.5 million for corrosion control treatment at the new McAllister Wellfield. The UAC has previously expressed its support for these projects, which have been included in earlier CFPs.
- Due to a reduction in water demand and an increase in source capacity as a result of the McAllister Wellfield project, staff recommends continuing to postpone development of the Briggs Well project, and postponing new expenditures on reclaimed water infrastructure in order to fund other necessary capital improvements. The UAC supports these changes.

### **Wastewater Utility**

The UAC also supports the Wastewater CFP with the following comments:

- The Wastewater chapter of the preliminary CFP is consistent with the 2007-2012 Wastewater Management Plan as well as the draft 2013-2018 Management Plan currently under review by City Council and the community. The CFP will complete needed projects in the 2007-2012 Plan as it transitions to the needs of the new Plan.
- The Wastewater CFP includes approximately \$9.6 million in capital projects over the next six years, down from \$10.2 million in last year's plan. The project costs are dominated by ongoing upgrades to wastewater lift stations that are reaching or exceeding their life expectancy (\$3.6 million), repairs to existing pipe systems (\$2.7 million), and small-scale neighborhood sewer extensions (\$1.9 million). In general, we find that the Wastewater CFP lays out a program of affordable and proactive upgrades to existing systems. Through the 2014-2018 Wastewater Plan, the overall wastewater program will increasingly focus on effective maintenance and operations.
- With near completion of the first round of pipe televising and condition rating, the Wastewater Utility is now able to comprehensively document the structural integrity of its 185 miles of pipe. The pipes are mostly in good condition with many small, manageable repairs needed. This level of understanding is a milestone in long-term capital financial planning for the Utility.
- With UAC encouragement, the Utility has completed a 20-year CFP and subsequently updated General Facility Charges (GFCs) based on the 20-year project list. We expect that the 20-year CFP will be updated annually and used internally to better understand long-term needs.

### **Storm and Surface Water Utility**

The UAC supports the proposed Storm and Surface Water CFP, with the following comments:

- The draft CFP includes approximately \$10.6 million in storm and surface water projects, compared to \$10.9 million of projects in last year's plan. The CFP implements the intent of the 2003 Storm and Surface Water Plan and its 2010 refinements.
- Consistent with last year's CFP, the entire water quality retrofit budget of almost \$4 million is contingent upon grant funding. Utility match funding of 25 percent is provided. While grant funding is uncertain, recent State legislative funding decisions are supportive of local water quality retrofit needs.
- Key projects in the draft Stormwater CFP include pipe capacity upgrades at the intersection of Black Lake Boulevard and Cooper Point Road (\$3.2 million) and the Port of Olympia stormwater separation (\$800,000).
- The Utility continues to emphasize pipe televising and condition rating in order to understand the integrity of our pipe systems. Funding over the next six years is \$850,000. The Utility has made substantial progress with condition rating since 2011.
- After last year's discussion and further consultation with the UAC this past March, the Utility has increased funding for aquatic habitat protection (\$1.04 million) by reducing CFP funds for flood management and infrastructure upgrades. The funding shift was accomplished without jeopardizing public safety and services. More aquatic habitat funding better reflects the importance that our community places on environmental protection. As part of the 2012 CFP discussion, the OPC expressed their support for this initiative.

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- The Storm and Surface Water Utility anticipates a comprehensive update to its 2003 Plan in 2014. Roles and responsibilities relative to its three mandates of flood management, water quality improvement, and aquatic habitat enhancement will be fully addressed and more clearly prioritized in the next plan.

If you have any questions, I can be reached at 360.352.2209 or via e-mail at [curtzt@nuprometheus.com](mailto:curtzt@nuprometheus.com)

Sincerely,

A handwritten signature in blue ink that reads "Thad Curtz". The signature is written in a cursive, slightly slanted style.

**THAD CURTZ**

Chair

Utility Advisory Committee

TC/lm

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ec: Utility Advisory Committee  
Rich Hoey, P.E., Public Works Director  
Clark Halvorson, Water Resources Director  
Andy Haub, Planning and Engineering Manager  
Liz Hoenig, Senior Planner