

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, SETTING
A BILLING RATE FOR WHOLESALE WATER PROVIDED TO THURSTON PUBLIC UTILITY
DISTRICT**

WHEREAS, on July 21, 2021, the Thurston Public Utility District (PUD) had a pump failure in one of their water supply wells; and

WHEREAS, in accordance with the Mutual Aid Agreement (the Agreement) dated August 18, 2015, the City of Olympia (City) began supplying the PUD with water; and

WHEREAS, although the Agreement does not identify a rate of reimbursement, it states “the Requesting Agency shall be billed for the actual cost incurred (e.g., pumping, chemical and staffing costs, etc.) to provide water based on a methodology from the Responding Agency”; and

WHEREAS, in September 2008, FCS Group, the City’s financial rate consultant performed a cost of service rate study, that established the allocation of costs (wholesale rate) for supplying the Thurston PUD with water (\$4,734 per month and \$1.08 per one hundred cubic feet of water consumed); and

WHEREAS, the Seattle Consumer Price Index (CPI) increased 25% between September 2008 and July 2021.

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE as follows:

1. Based on the September 2008 cost of service rate study and inflated per the Seattle CPI, a billing rate for wholesale water provided to the Thurston PUD in July 2021, pursuant to the Mutual Aid Agreement, shall be set at \$6,164.69 per month (pro-rated) and \$1.41 per one hundred cubic feet of water consumed.
2. Until a new cost of service rate study is completed, future rates for water supplied to the Thurston PUD, pursuant to the Mutual Aid Agreement, shall be set based on the September 2008 cost of service rate study inflated per the Seattle CPI.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of _____ 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



DEPUTY CITY ATTORNEY