



Wastewater Plan Update

UAC – October 3, 2019



East Bay Marina Lift Station

Wastewater Plan Update

Plan Update – What has Happened

Cross-Sectional Team Formed – Spring 2018

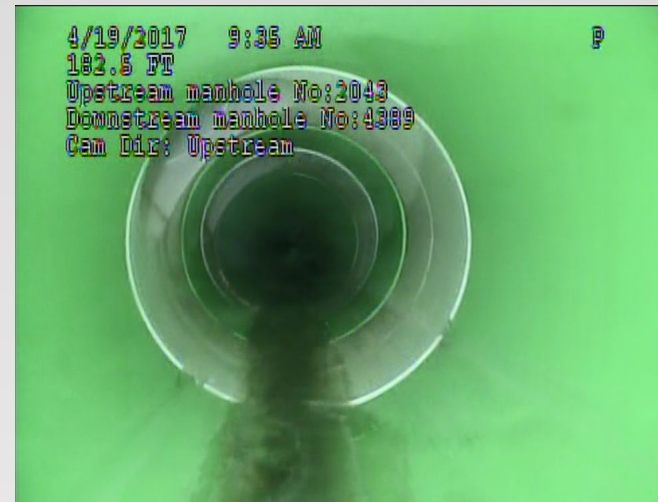
UAC Review - January 2019

UAC Review - April 2019

Capacity and Financial Analysis Completed

- Summer 2019

Draft Plan Completed - September 2019



Inside of a PVC Sewer Pipe

Wastewater Plan Update

Tonight's Agenda

Previous Topics

- Planning Requirements
- Key Challenges
- Goals, Objectives and Strategies

Primary Focus

- Capacity Analysis
- Financial Analysis
- Next Steps



Briggs Village Lift Station

Capacity Analysis

Gravity Sewer System

1. 4th Ave Bridge – 10 years
2. Jefferson St SE – 10 years
3. Columbia St – monitor near-term
4. Jefferson St SE – monitor near-term
5. West Bay Dr – monitor long-range
6. South Capitol – monitor long-range
7. Central Ave – monitor long-range

Lift Stations and Force Mains

- None Identified

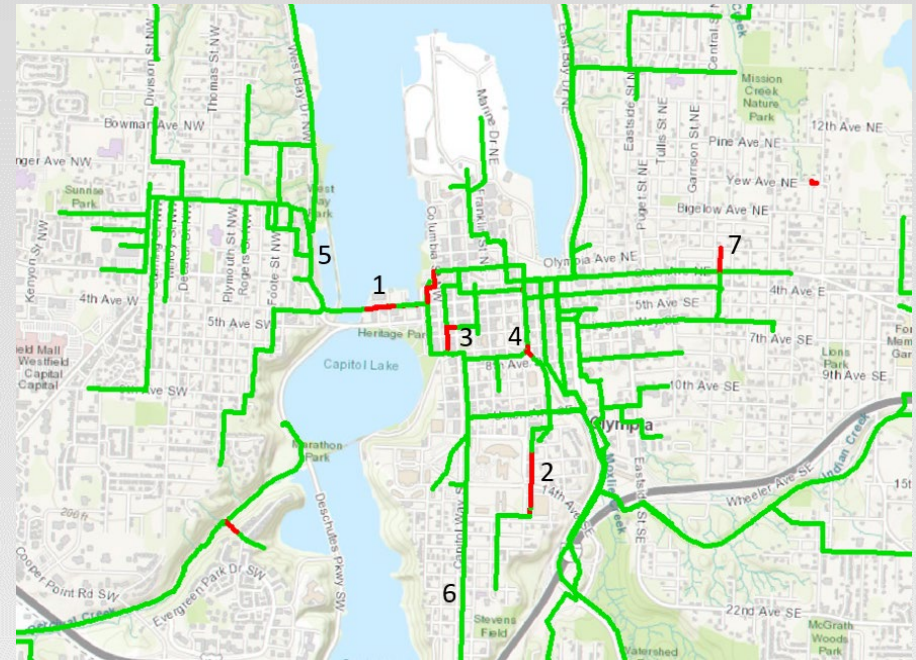


Figure 10.1 Areas with risk of flooding under peak hour conditions for a 10-year storm

Financial Analysis

Revenue Requirement Forecast	2019	2020	2021	2022	2023	2024
Revenues						
City Wastewater Rate Revenue	\$ 7,029	\$ 7,167	\$ 7,307	\$ 7,451	\$ 7,597	\$ 7,745
LOTT Wastewater Rate Revenue	13,662	14,347	15,067	15,824	16,618	17,452
Other Operating Revenue	34	35	36	37	38	40
Total	\$ 20,724	\$ 21,549	\$ 22,410	\$ 23,311	\$ 24,253	\$ 25,238
Expenses						
City Operating Expenses	\$ 5,848	\$ 6,018	\$ 6,199	\$ 6,386	\$ 6,583	\$ 6,787
LOTT Charges	13,662	14,347	15,067	15,824	16,618	17,452
Debt Service	606	604	606	602	604	581
System Reinvestment Funding	741	782	991	1,300	1,556	2,550
Total	\$ 20,857	\$ 21,751	\$ 22,864	\$ 24,112	\$ 25,361	\$ 27,370
Net Cash Flow	(\$ 133)	(\$ 202)	(\$ 453)	(\$ 801)	(\$ 1,108)	(\$ 2,133)
Bond Coverage at Existing Rates	2.42	2.50	2.36	2.27	2.16	2.12
Annual City Wastewater Rate Increase		4.5%	4.5%	4.5%	4.5%	4.5%
Summary After Rate Increases:						
Net Cash Flow	(\$ 133)	\$ 80	\$ 135	\$ 119	\$ 171	(\$ 465)
Debt Service Coverage	2.42	3.07	3.53	4.10	4.71	5.59
Operating Fund Ending Balance	\$ 2,975	\$ 3,054	\$ 3,189	\$ 3,308	\$ 3,479	\$ 3,014
Operating Fund Minimum Balance	\$ 1,951	\$ 2,037	\$ 2,127	\$ 2,221	\$ 2,320	\$ 2,424

Financial Analysis

Wastewater GFC Calculation	2019 Calculation	2013 Calculation
Existing Facilities Component		
Plant-In-Service as of Year-End 2018	\$70,861,259	\$51,209,831
Less: Contributed/Grant-Funded Assets	(13,434,160)	(11,896,681)
Less: Provision for Asset Retirements	(18,532,787)	(5,576,340)
Plus: Interest Accrued on Assets Included in GFC	21,472,598	21,347,149
Plus: Construction Work in Progress	20,777	12,241,135
Net Existing Cost Basis	\$60,387,686	\$64,683,309
Total Customer Base (Existing + Growth)	37,507	35,320
Existing Facilities Charge per ERU	\$1,610	\$1,831
Future Facilities Component		
CFP Costs Allocable to All Customers	\$44,562,805	\$20,181,744
Total Customer Base (Existing Plus Growth)	37,507	35,320
Charge for Facilities Allocable to All Customers	\$1,188	\$571
CFP Costs Exclusively Allocable to Growth	\$20,190,041	\$8,917,376
Projected ERU Growth	9,175	9,491
Charge for Facilities Exclusively Allocable to Growth	\$2,201	\$940
Future Facilities Charge per ERU	\$3,389	\$1,511
Total Wastewater GFC per ERU	\$4,999	\$3,342

Next Steps

UAC Recommendation or Concerns to Council

Public Comment Period Ends– October 31, 2019

SEPA and Commerce Department Review – Late 2019

Ecology Review and Approval – Early 2020

Council Review and Approval – Early 2020

Questions and Discussion



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Key Challenges

- **Aging Infrastructure**
 - Risk to public health and water quality
 - Understanding condition is key
- **STEP Systems**
 - Maintenance
 - Odor control
 - Corrosion control
- **Onsite Sewage Systems**
 - Progress is occurring
- **Inflow and Infiltration**
 - Groundwater and surface water consumes pipe and treatment plant capacity



Key Challenges

Extending Sewers to New Development

- Development requires planning for sewers

Climate Change

- Five pump stations could be impacted by rising seas
- Utility operations could help mitigate climate change

Fats, Oils and Grease (FOG)

- Causes sewer system blockages
- Requires significant staff time to address

Equitable and Predictable Rates and Fees

- Predictable rates and fees are important for customers

