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City Council

Approval of an Ordinance Adopting the 2021 Utility Rates and General Facilities Charges

Agenda Date: 12/15/2020
Agenda Item Number: 4.E
File Number: 20-0995

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of an Ordinance Adopting the 2021 Utility Rates and General Facilities Charges

Recommended Action

Committee Recommendation:

The proposed rates and charges reflect recommendations from the City Council, Finance Committee and the Utility Advisory Committee. City Council held a public hearing on November 17, 2020. The review considered recommendations forwarded to Council by the Utility Advisory Committee.

City Manager Recommendation:

Move to approve the ordinance adopting the 2021 utility rates and general facilities charges on second reading.

Report

Issue:

Whether to approve an ordinance adopting the 2021 utility rates and general facility charges (GFC). Also included in the ordinance are increases to LOTT Clean Water Alliance rates and capacity development charges are also included in the ordinance.

Staff Contacts:

Gary Franks, Waste ReSources Director, Public Works Department, 360.753.8780

Eric Christensen, Water Resources Director, Public Works Department, 360.570.3741

Presenter(s):

None - Consent Calendar Item

Background and Analysis:

Background and analysis has not changed from first to second reading.

City of Olympia provides vital utility services to our community. For 2021, staff is proposing rate increases (rounded) as follows:

- Drinking Water 0.0%
- Storm and Surface Water 7.5%

• Wastewater	0.0%
• Waste ReSources	0.0%
• LOTT	3.0%
• Combined	1.73% or \$4.64 bi-monthly/single family account

Key financial drivers for the proposed 2021 rate increase include:

- Loss of Storm and Surface Water revenues from roadway fees.
- Increased Storm and Surface Water funding allocation for the street sweeping program.
- Increase Storm and Surface Water capital improvement program funding.
- Use of cash reserves to buy down Wastewater rates.

Utility-related GFCs are not proposed to change from the 2020 amounts.

LOTT Clean Water Alliance Rate

Lacey, Olympia, Tumwater, Thurston County (LOTT) Clean Water Alliance Board of Directors approved increases for both monthly wastewater treatment rates and their capacity development charge (CDC). The CDC is similar to the City's GFC. The City collects monthly rates and CDCs for LOTT through the utility billing and development permitting processes.

- The LOTT Clean Water Alliance capacity development charge (CDC) is proposed to increase 3% (\$185) to \$6,417.61.

Neighborhood/Community Interests (if known):

City utilities provide important public health services for Olympia residents. Utility rates are set to ensure reliable, uninterrupted levels of service.

Options:

1. Approve the ordinance adopting the 2021 utility rates and general facility charges.
Which Supports essential City public and environmental health services and increases rates for customers and charges for new development.
2. Modify or decline the proposed 2021 increases. This would avoid or lessen additional customer costs and risks failures in fulfilling City public and environmental health responsibilities.

Financial Impact:

The proposed rate and GFC increases will generate revenue to implement Council-adopted utility master plans and ensure financially responsible management of City utilities.

Attachment:

Ordinance