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Land Use & Environment Committee

2015-2020 Water System Plan Update

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Agenda Item:
2015-2020 Water System Plan Update

Issue:
The 2015-2020 Water System Plan serves as the strategic plan for the City's Water Utility. It guides both operating and capital priorities for the six year planning period. The plan includes goals, objectives, strategies and costs for operating the City's Water Utility. Staff is seeking advice from the Land Use and Environment Committee on the scope of work and outreach strategy.

Committee Recommendation:
The Utility Advisory Committee (UAC) will be reviewing this same information at its April 4, 2013 meeting. Staff will share feedback from the UAC at this meeting with the Land Use and Environment Committee.

City Manager's Recommendation:
Briefing and discussion only.

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Background and Analysis:
The Water System Plan serves as a strategic plan for Utility staff to use in implementing our goals, objectives and strategies over the six year planning period (2015-2020). The plan also helps us measure progress toward achieving the Utility's goals. The Water System Plan reflects the utility's operational, technical, managerial and financial capability to work towards our community's vision, achieve goals and maintain compliance with relevant local, state and federal plans and regulations.

The Water Coordination Team, a group of staff from operations, water quality, groundwater protection, water conservation, planning and engineering, work collaboratively to update the plan every six years. This team has a high level of expertise and investment in the planning process, and the final plan is used continuously by staff and others as a strategic road map for the Water Utility.

This Water System Plan is prepared in accordance with WAC 246-290-100, which requires public water systems with more than 1,000 connections to submit a water system plan for review and approval by the Washington State Department of Health (DOH). DOH regulates drinking water in the state under the federal Safe Drinking Water Act. We have met with DOH staff to share our draft Table of Contents for the 2015-2020 update (Attachment 1), to ensure that what we plan to include will meet all of their requirements.

Strategic Issues for the Drinking Water Utility

The years 2015-2020 will be less capital intensive than our previous planning cycle. We have achieved our goal of reserving water rights for a 50+ year water supply, will have replaced our primary source at McAllister Springs with the McAllister Wellfield, and have achieved significant water conservation goals. We will have some new tools available, including Automated Meter Reading (AMR), and new utility billing software, both of which will provide us with opportunities to collect new information on water use, and provide more useful information and access to customers through the billing system. Here's a summary of the strategic issues facing the Water Utility for 2015-2020:

- Evaluate and plan for long-term management of water infrastructure (transmission/distribution emphasis).
- Refine rate structure to be equitable, encourage conservation and take advantage of updated technology.
- Manage fluctuating revenue to provide financial reliability.
- Engage customers in defining levels of service and coordinate activities with citywide sub-area planning.
- Improve energy efficiency and reducing carbon footprint.
- Prioritize and evaluate outdoor conservation objectives and strategies.
- Plan for appropriate timing to develop new sources.

These issues have helped to shape our goals for the 2015-2020 Water System Plan.

City Council Priorities

In January 2013, the Olympia City Council met to develop the City's annual priorities. Three of the four priorities have direct connections to the Water System Plan update. The priorities are listed below with a summary of how they can guide the 2015-2020 Water System Plan update.

- *Adopt A Sustainable Budget.* The desired outcome for this priority is "to have the adequate revenues and reserves to support the social, economic and environmental values of the community." The Water Utility financial strategy for 2015-2020 will identify a financing approach that meets this outcome for utility services. The Council goals within this priority are also aligned with goals established in the Water System Plan and the Comprehensive Plan, including a core service focus, maintaining adequate reserves, and managing debt responsibly.
- *Change the Culture of Community Development.* The desired outcome for this priority is "to achieve the growth and development as defined by the community in the Comprehensive Plan." The process of developing the Water System Plan will focus on engaging customers, neighborhoods and colleagues in a dialog about utility services and achieving our goals. We will align our utility plan with other planning efforts citywide. We are committed to a work culture that encourages citizen and customer involvement.
- *Inspire Strong Relationships.* The desired outcome for this priority is "We get things done most efficiently, foster trust, stay connected and move forward together." Many of our activities in the Water Utility require strong regional partnerships with neighboring jurisdictions and tribal governments, from groundwater protection to water supply planning. We will also work closely with the Utility Advisory Committee and the Coalition of Neighborhood Associations as we develop and implement the plan.

Draft Comprehensive Plan Goals

The City of Olympia is in the process of updating our Comprehensive Plan, which provides the 20+ year vision and policy framework for the community. The Comprehensive Plan serves as the primary guiding document for all City codes, programs, facilities and services. The selected goals (Attachment 2) from the July 2012 draft of the Comprehensive Plan are most relevant to the Water System planning effort. The

Olympia City Council will review and adopt the final Comprehensive Plan in late 2013. These goals are referenced below with each of the draft 2015-2020 Water System Plan goals.

Draft Water System Plan Goals

The primary framework for the Water System Plan is our long-term vision that **Olympia's Water Utility sustains present and future water supplies for our community while protecting the environment**. We see ourselves as stewards of the water resource and therefore take a broad view of the entire hydrologic cycle, rather than focusing narrowly on system infrastructure. This vision is well aligned with the City's Comprehensive Plan Vision.

We begin our process by establishing broad goals based on the strategic issues we face as a community and as a utility. For each of these goals, the team of writers will develop objectives, strategies, and performance measures. Writers will obtain input from peers, community members and other stakeholders as they develop these during the planning process. A brief definition of these planning terms is included below:

Goal: Broad, qualitative statements of the end result we hope to achieve.

Objectives: Specific, measurable statements of what will be done to achieve these Goals.

Strategies: "How will we go about accomplishing our Objectives?"

Performance measures: Measures used to evaluate success and guide learning, usually within a particular time frame.

In the context of the City's commitment to sustainability, we have drafted seven long-term goals for the 2015-2020 WSP update:

1. Sustainable Water Supply: Adequate supplies of water are available for the Olympia community while protecting in-stream flows and sustaining long-term capacity of aquifers.

Comprehensive Plan Goals: GU2, GU5

2. Exceptional Tap Water: Water is delivered at useful pressures that meet Safe Drinking Water Act standards, and it looks and tastes great.

Comprehensive Plan Goals: GU3, GU4, GU7

3. Efficient Water Use: Olympia's water supplies are used efficiently to meet the present and future needs of the community and natural environment.

Comprehensive Plan Goals: GU3, GU4

4. Engaged Customers: Customers have access to the information they need, have a role in accomplishing utility goals, and participate in utility decision making.

Comprehensive Plan Goals: GP1, GP2, GP3, GP4

5. Protected Groundwater: Groundwater quality is protected to ensure clean drinking water for present and future generations and avoid the need for expensive replacement and treatment facilities.

Comprehensive Plan Goals: GN1, GN2, GU6

6. Responsible Collection and Use of Public Dollars: Drinking Water Utility finances are managed responsibly, with costs recovered equitable by customer use.

Comprehensive Plan Goals: GU2, GU3

7. Smart Infrastructure: Infrastructure is sustainably constructed, maintained and operated to ensure reliable delivery of high quality water to a growing community.

Comprehensive Plan Goals: GU1, GU2, GU3, GU7

Schedule and Public Process

Attachment 3 is a draft schedule for development of the 2015-2020 Water System Plan. We have the flexibility to extend the planning period out several months if needed to accommodate data collection

needs. We will meet with the Utility Advisory Committee (UAC) review on April 4, and will share UAC comments from that meeting with the LUEC in an oral report.

Attachment 4 is a draft Communication and Outreach Strategy for the 2015-2020 Water System Plan update. We will meet with the Coalition of Neighborhoods early in the process to get feedback on their issues, and will also use some new web-based tools for encouraging feedback on the public review draft in 2014. Public review drafts of the plan will be available in both a PDF/hard copy format and a web-based, searchable version. We are also coordinating internally with the two other utility master plans, Wastewater and Waste Resources (Garbage and Recycling) to build a consistent framework for the plans, including common terminology, layout and design, and a common editorial "voice."

Neighborhood/Community Interests:

Neighborhoods may be interested in planned Water Utility construction or maintenance activities in their areas. Customers will be interested in rates and associated service levels. Specific feedback we have received in recent years include:

- Inequity of the commercial seasonal rates for businesses that have consistent use year round.
- Seasonal rates are confusing, because customers do not know they are changing; it does not show on their bill.
- Bill format and lack of specific pricing information for each tier or rate category.
- Fees for credit card use and costs to the utility.
- Level of Service Standards could be refined with input from customers.

Options:

None at this time.

Financial Impact:

2015-2020 Water System Plan recommendations will have utility rate and General Facility Charge (GFC) implications. The planning process has a budget of \$200,000 for engineering, editing and financial consulting as well as internal staff time which is already appropriated within the CFP for the Water Utility.