



City Council

Briefing on Wastewater Management Plan

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Agenda Item:

Briefing on Wastewater Management Plan

Issue:

Shall staff distribute the draft Plan as presented for public review and schedule a public hearing later this year?

Committee Recommendation:

The Utility Advisory Committee (UAC) recommends that the City Council proceed with distributing the draft Plan to the public and schedule a public hearing.

The Council's Land Use & Environment Committee reviewed and concurs with the process.

City Manager's Recommendation:

Move to proceed with public distribution of the draft Plan and schedule a public hearing.

Staff Contact:

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Presenter(s):

Steve Sperr, P.E., Public Works

Background and Analysis:

The City's Wastewater Management Plan guides the Wastewater Utility in operating, maintaining and replacing its existing infrastructure as well as planning for future growth. The City Council adopted the current six-year Plan in 2007, and the Plan has been largely implemented.

The draft 2013 Plan has been reviewed by UAC and Council's Land Use and Environment Committee. The Olympia Planning Commission has been briefed. See the attached recommendation letter from the UAC.

The draft Plan is available for public distribution and potential adoption later this year (see attachments).

The draft Plan reflects the current healthy state of the Wastewater Program. In general, the City's Wastewater Utility is:

- Financially stable.

- Enacting adequate policies and regulations for new development.
- Responding proactively to infrastructure needs.
- Providing one-to-one technical expertise to community members.
- Incorporating wastewater needs with broader water resource issues such as stormwater and drinking water.

The draft Plan contains few policy changes and no request for appreciable new funding or staff. It does provide a strategic management template for the next 6 to 20 years.

Key policy changes in this Plan compared to existing policies include establishing volume-based residential rates, more financial assistance for those seeking to convert onsite systems to the public sewer system, and a shift toward allowing new onsite septic systems under a broader range of circumstances. The use of alternative technologies such as Sewer Tank Effluent Pump (STEP) and grinder pump systems would also be allowed under certain limited conditions. These policies would better facilitate infill development without generating detrimental impacts to the environment or the regional sewer system.

Specifically, policy changes proposed in the draft Plan are limited to the following:

- No net increase in onsite septic systems. Conversely, the 2007 Plan calls to reduce the number of septic systems over time. New septic systems in limited infill circumstances would be allowed under this Plan.
- Provide limited utility funding to extend public sewer associated with individual septic system conversions to public sewer systems.
- Allow the payment of City sewer connection fees over time for septic conversions.
- Allow the limited use of alternative sewer technologies, specifically grinder pumps, for new development.
- Allow STEP sewer systems for septic conversions and limited infill development.
- Initiate volume-based sewer rates for residential accounts.

If adopted by the Plan, staff would further evaluate these policies and potentially adopt them into the Olympia Municipal Code in 2014-2015. Otherwise the Plan's 33 strategies refine and supplement the ongoing Wastewater Program. The draft Plan meets the Department of Ecology's requirements, as outlined in WAC 173-240-050, for wastewater planning.

FCS Group, our financial consultant, has completed a 6 and 20 year analysis for the Utility and the Plan (See Chapter 11 in the Draft Plan and Appendix K). The analysis confirms that the Utility is in solid financial condition. We anticipate meeting projected operational and capital needs outlined in the draft Plan with modest long-term rate increases.

With UAC support, the consultant evaluated options and financial implications for volume-based rates. Under a simple volume-based rate structure, monthly charges would be based on seasonally-adjusted drinking water consumption. A three-tiered rate structure was considered: a low-cost tier for users of very modest quantities of drinking water, a middle tier set to encourage water conservation, and a third tier for baseline customers. With Council support, staff will further refine the tiered system in 2014, and return to the UAC/Council for potential implementation in 2015.

Neighborhood/Community Interests (if known):

The Plan will affect current and future residents of Olympia. Staff is working on an outreach strategy to include neighborhood associations and other stakeholders. Key interested parties include residents likely to pursue infill and small developments as well as septic owners. Wastewater rates are the most costly component of the City's overall utility charges.

Options:

1. Provide feedback to staff and move the draft Plan forward to a City Council Public Hearing.
2. Defer public distribution and future scheduling until concerns are resolved.

Financial Impact:

None at this time. The draft Plan does not directly implement changes in wastewater rates or regulations. Staff will conduct additional analysis and public review in 2014, as a separate process prior to adopting new rates and charges.