



## City Council

# Approval of Ordinance Amending Olympia Municipal Code to Add Reclaimed Water Engineering Fees

**Agenda Date:** 12/17/2013  
**Agenda Item Number:** 4.K  
**File Number:** 13-0913

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**Type:** ordinance **Version:** 1 **Status:** Passed

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### Title

Approval of Ordinance Amending Olympia Municipal Code to Add Reclaimed Water Engineering Fees

### Recommended Action

#### City Manager's Recommendation:

Move to approve on second reading an ordinance amending Olympia Municipal Code (OMC) 4.04.010, adding reclaimed water engineering fees as proposed in Attachment 1.

### Report

#### Issue:

Whether to approve an ordinance amending Olympia Municipal Code to add reclaimed water engineering fees.

### Staff Contact:

Tom Hill, Building Official, 360.753.8486

### Presenters:

None. Consent Calendar Item.

### Background and Analysis:

**The background and analysis information has not changed from the first reading.** Reclaimed water charges are proposed to be expanded to include engineering fees and rates for indoor use. Engineering fees have never been established for reclaimed water and, since 2005, a rate for reclaimed water has existed only for irrigation (outdoor use); however, reclaimed water now includes indoor use.

Adding engineering fees and indoor-use rates is part of the Drinking Water Utility's recent effort to update the Reclaimed Water Ordinance, OMC 13.24 - which was approved by Council last month. As an incentive, the reclaimed water rates are 70% of those charged for potable water. The proposed engineering fees, though, are the same as for the Drinking Water Utility.

### Neighborhood/Community Interests:

The amendments have been reviewed and are supported by the Utility Advisory Committee, the Council Land Use and Environment Committee, and the Olympia Planning Commission. In 2011 and 2013, staff informed reclaimed water customers, the business community, neighboring jurisdictions, LOTT Clean Water Alliance, and the Squaxin Island Tribe about the proposed engineering fees and rates. Staff received a few responses, all of which supported the amendments.

**Options:**

1. Move to approve on second reading the proposed code amendments to OMC Section 4.04.010.
2. Move to reject the revised ordinance.

**Financial Impact:**

The proposed engineering fees and indoor-use rates are new; they are not increases because the proposed fees and rates currently do not exist. In the mid-2000s, the City worked only with the Port of Olympia to install reclaimed water infrastructure on Port property. Reclaimed water engineering fees did not exist at that time, so none were charged to the Port. The City anticipates little to no revenue from reclaimed water engineering fees in the near future given the lack of interest by the development community to actively advance reclaimed water infrastructure, primarily based on high cost and limited opportunity. The proposed engineering fees and indoor-use rates will position the City to generate revenue when reclaimed water infrastructure is advanced and use increases in the future.