



## City Council

### Approval of Purchase and Sale Agreement for the Site of the Future Southeast Olympia Water Supply Reservoir

**Agenda Date:** 12/17/2013  
**Agenda Item Number:** 4.G  
**File Number:**13-1061

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**Type:** contract   **Version:** 1   **Status:** Passed

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#### **Title**

Approval of Purchase and Sale Agreement for the Site of the Future Southeast Olympia Water Supply Reservoir

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to authorize the City Manager to sign a purchase and sale agreement that is substantially similar to the attached agreement and any other necessary closing documents.

#### **Report**

##### **Issue:**

Whether to approve the purchase of a new water supply reservoir which is needed for SE Olympia in order to meet requirements of the Washington State Department of Health and our obligations in the 2009-2014 Water System Plan. The proposed site for the reservoir is the best site. It is available for purchase by the City.

##### **Staff Contact:**

Rich Hoey, P.E., Public Works Director, 360.753.8495  
Tom Morrill, Olympia City Attorney, 360.753.8223

##### **Presenter(s):**

This is a Consent Item.

#### **Background and Analysis:**

The City's Water System Plan guides the Drinking Water Utility in operating, maintaining and replacing its existing infrastructure as well as planning for growth. The current six-year Plan was adopted by City Council and approved by the Washington State Department of Health in 2009.

The Water System Plan identified a critical need for additional storage capacity in southeast Olympia (Water Zone 417). Additional storage is required to provide needed fire flow and capacity for peak

use periods. Also, the existing reservoir that serves a portion of southeast Olympia needs maintenance work that will necessitate it being taken temporarily offline. These needs were identified in the 2009-2014 Water System Plan and are included in the 2013-2018 Capital Facilities Plan.

The City has determined that a portion of the property identified as Parcel No. 11830420000 (the Trillium Property - see attachment titled Property Map) is the most suitable property for the new reservoir. Site location and elevation meet our engineering requirements.

The City has worked with the property owners, DR Horton, since 2009 to acquire the approximately 5.3 acres as well as an access road and 55 foot easement for water main construction. The area is a portion of the historically-proposed Trillium development on Morse-Merryman Road east of the City's LBA Park.

We have negotiated and are prepared to sign a purchase and sale agreement for the property. Previous discussions with City Council (July 23, 2013) regarding potential condemnation of the property are not in conflict with the current agreement.

The purchase price for the property is \$800,000. As part of the agreement, the City will install fencing and gating along the access road and easement. The proposed schedule for the project includes engineering design work in 2014 and construction in 2015.

**Neighborhood/Community Interests (if known):**

The new reservoir will benefit current and future residents of Southeast Olympia. It will provide adequate fire flow and storage to meet current and future needs.

Over the past several years, the City has received substantial comments regarding the potential Trillium development. Construction of the reservoir is independent of any plans for the private development.

**Options:**

- 1 Authorize the purchase and sale agreement. Anticipate City Manager signing of the agreement by the end of 2013.
- 2 Do not authorize the agreement. Seek alternatives to managing water supply in SE Olympia.

**Financial Impact:**

The Drinking Water Utility will use existing funds and spending authority to purchase the property and easements.