



City Council

Approval of an Ordinance Amending Wastewater Regulations related to Septic to Sewer Program

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Title

Approval of an Ordinance Amending Wastewater Regulations related to Septic to Sewer Program

Recommended Action

Committee Recommendation:

The Planning Commission recommends approval of the ordinance revising the Septic to Sewer regulations.

City Manager Recommendation:

Move to approve the ordinance revising the Septic to Sewer regulations on second reading.

Report

Issue:

Whether to adopt the Ordinance that amends the Olympia Municipal Code 13.08.

Staff Contact:

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Presenter(s):

Diane Utter, P.E., Water Resources Engineer

Background and Analysis:

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

Approximately 4,275 properties are served by onsite sewage systems (OSS) within Olympia and its Urban Growth Area. These systems pose a long-term public and environmental health risk.

In 2008, the City Council created the Septic-to-Sewer Program. The program assists property owners converting from OSS to public sewer. The program resulted in an increase in conversions to an average of 13 per year, compared to an average of four per year, prior to the program.

The 2013 Wastewater Management Plan proposed expanding the program based on "*Objective 1C. Encourage OSS conversions through the Septic to Sewer Program*". This objective is in support of

the goal stating, *“Clean Water Act and Safe Drinking Water Act standards for nitrogen, fecal coliform and other constituents of concern in groundwater and surface water are met.”*

The 2014 Comprehensive Plan supports expansion of the program. Goal GN5 states, *“Ground and surface waters are protected from land uses and activities that harm water quality and quantity.”* Policy PN5.8 states, *“Encourage existing septic systems to connect to sewer, and limit the number of new septic systems.”*

The proposed changes to the program are as follows:

- Revise the part of the program that constructs small-scale sewer extensions by reducing the reimbursement required from property owners who connect to the new sewer.
 - The current program typically requires each property owner to reimburse the City over \$20,000. The proposed program would typically require less than \$10,000 per property. The payment mechanism would also be simpler than the one created in 2008.
- Add septic tank effluent pumping (STEP) systems and lift stations to the sewer infrastructure the City may construct.
- Identify the criteria by which the utility will prioritize sewer extension projects with public health risk being the highest priority.
- Change the mechanism for allowing the payment of City General Facility Charges (GFCs) for OSS conversions.
 - The current program allows payment in installments each year with a yearly fee. The proposed changes allow for monthly payments with interest.
- Allow new property owners to qualify for a GFC waiver if they connect to sewer within two years of purchasing the property. Also, allow property owners to qualify for a GFC waiver if they qualify for a partial rebate of the LOTT capacity development charge (CDC).

The Planning Commission held a public hearing on the proposed changes in July. Four people testified at the hearing in person and three of them submitted written testimony as well. The Commission voted unanimously on July 24, 2017, to recommend Council approve the Ordinance.

Neighborhood/Community Interests (if known):

Many neighborhoods in the City and its Urban Growth Area are impacted by the presence of OSS. The revised program would assist these neighborhoods in converting from OSS to public sewer. In addition, the City would extend sewer to some neighborhoods that do not currently have access to sewer.

Many property owners consider this a benefit, but some property owners may not due to the possibility of being required to connect. City regulations require that if a property is within 200’ of an available sewer and their OSS fails, they must connect to the public sewer.

Options:

1. Move to adopt the Ordinance amending OMC 13.08. This will encourage more conversions from septic systems to public sewer so that City goals are met and public health and the environment are protected.
2. Move to adopt the Ordinance amending OMC 13.08 with modifications. This allows the utility to meet public health and environmental goals by including modifications proposed by Council.

Option 3: Do not adopt the Ordinance amending OMC 13.08. This will allow the current Septic to Sewer program to continue without modification. The current program is not providing sufficient incentive to convert OSS to fulfill City goals.

Financial Impact:

City funding already exists for a number of small-scale sewer extension projects to assist residents in converting from OSS to public sewer. The current annual allocation in the Capital Facilities Plan (CFP) is \$341,000.

If the utility were to spend the full CFP allocation in a given year, the average cost to each existing ratepayer would be just under \$1 per month.

Financing of the GFC over time rather than as a lump sum for OSS to sewer conversions would result in delayed revenue. The utility will charge an interest rate equal to the most recent general obligation bonds.

The City's financial consultant, FCS Group, analyzed utility rates assuming an average conversion rate, and GFC waiver rate, of 27 properties per year. The actual average has been lower than that. Ratepayers, not other GFC payers, absorb the cost of the GFC waivers.

Attachments:

Ordinance
UAC Letter
Public Hearing Comments