



City Council

Approval of Water Supply Agreement Between the Cities of Lacey and Olympia for the Use of Emergency Water System Intertie

Agenda Date: 5/22/2018
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Title

Approval of Water Supply Agreement Between the Cities of Lacey and Olympia for the Use of Emergency Water System Intertie

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the water supply agreement for the use of emergency water system intertie and authorize the City Manager to sign the agreement.

Report

Issue:

Whether to authorize the City Manager to sign a water supply agreement to allow the City of Lacey to use Olympia's water during water supply emergencies.

Staff Contact:

Susan Clark, Senior Planner, Public Works/Water Resources, 360.753.8321

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

Until June 30, 2016, the City of Olympia (Olympia) provided wholesale water service to the City of Lacey (Lacey). Under the expired wholesale water agreement, Olympia was obligated to guarantee water service to Lacey.

Availability of water service to Lacey is not guaranteed under the new water supply agreement (agreement). Instead, Olympia agrees to provide Lacey with potable water to address a water supply emergency only if Olympia has the capacity to do so. Activation of the existing intertie between the systems may occur only if both cities agree to the duration of time, the amount of water and any other conditions deemed appropriate.

The agreement defines a water supply emergency as an emergency resulting from a major water line break, contamination to the water supply system, mechanical equipment failure, electrical equipment failure or any other mutually agreed upon emergency affecting Lacey's water supply system.

A fixed monthly service charge, prorated for the actual amount of time water is used, plus a volume charge, will apply to emergency water used by Lacey.

The water supply agreement limits water use by Lacey to up to two million gallons per day during the months of November through June, and up to one million gallons of water during the months of July through October.

Operational limitations do not currently allow Olympia to obtain water from Lacey through the existing intertie between the systems.

The Lacey City Council approved the agreement on May 10, 2018.

Neighborhood/Community Interests (if known):

There are no known community concerns regarding this agreement. Since the agreement does not guarantee a water source to Lacey and provides for Lacey to pay for any water use, community concerns should be minimal.

Options:

1. Approve the water supply agreement for the use of emergency water system intertie and authorize the City Manager to sign the agreement. Execution of the agreement allows for assistance to Lacey during temporary periods of insufficient water production.
2. Modify the agreement. Modifying the agreement may affect Lacey's ability to maintain levels of service during temporary periods of insufficient water production.
3. Do not approve the agreement. Denying the agreement may affect Lacey's ability to maintain levels of service during temporary periods of insufficient water production.

Financial Impact:

The agreement is a revenue source for the water utility during instances of water use by Lacey.

Attachments:

Resolution
Agreement