



**UTILITIES COMMITTEE**  
**MONDAY, APRIL 9, 2018**  
**12:00 P.M.**  
**COUNCIL CHAMBERS**

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1. **EMERGENCY WATER SUPPLY AGREEMENT WITH OLYMPIA**  
*PETER BROOKS, WATER RESOURCES MANAGER*  
*(STAFF REPORT ATTACHED)*
  
2. **ORDINANCE FOR ALTERNATE DAY IRRIGATION ENFORCEMENT AND INCREASE OF CERTAIN UTILITY FEES**  
*EMILY WATTS, WATER RESOURCES SPECIALIST*  
*(STAFF REPORT ATTACHED)*
  
3. **ODOR AND CORROSION CONTROL PROGRAM AND WASTEWATER OPERATIONS**  
*TERRY CARGIL, PUBLIC WORKS WATER/WASTEWATER*  
*(VERBAL - PRESENTATION)*



UTILITIES COMMITTEE  
April 9, 2018

SUBJECT: Emergency Water Supply Agreement between the Cities of Olympia and Lacey

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RECOMMENDATION: Forward item to City Council with recommendation to authorize the City Manager to sign the Emergency Water Supply Agreement with the City of Olympia.

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STAFF CONTACT: Scott Spence, City Manager *SS*  
Scott Egger, Public Works Director *SE*  
Troy Woo, Finance Director *TW*  
Peter Brooks, Water Resources Manager *PB*

ATTACHMENTS: 1. [Water Supply Agreement Between the Cities of Lacey and Olympia For the Use of Emergency Water System Intertie](#)

BUDGET IMPACT/  
SOURCE OF FUNDS: \$102,710 is available within the Water Utilities Operations and Maintenance Fund.

PRIOR COUNCIL/  
COMMISSION/  
COMMITTEE REVIEW: None

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BACKGROUND:

The City of Olympia provided the City of Lacey with a supplemental water source via a wholesale water agreement and intertie until the end of June 2016. That agreement provided a temporary additional water source while Lacey was awaiting approval of water rights applications pending before the Washington State Department of Ecology. Once those water rights were granted in **2012, the agreement provided a “bridge” during which** projects were constructed to make use of the newly acquired water rights.

While Lacey no longer has a perennial need for supplemental water, it is prudent to have an emergency water supply agreement in place before the need arises. This agreement is based on the prior wholesale water agreement. However, under this agreement **the “fixed” or “ready-to-serve” charge** is not continuously imposed. Instead, it is prorated to the period of time the water is taken, with the minimum period being one week. The agreement does not contemplate Lacey providing emergency water supply to Olympia because currently there are no intertie locations between Lacey and Olympia that Olympia believes would serve its needs.

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ADVANTAGES:

1. Provides a potential water supply to the City of Lacey during an emergency.
2. Imposes no cost until used.

DISADVANTAGES:

1. None apparent.

**AGREEMENT**  
**Water Supply Agreement Between the Cities of Lacey and Olympia**  
**For the Use of Emergency Water System Intertie**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018 by and between the City of Lacey, a municipal corporation of the State of Washington, hereinafter referred to as “Lacey,” and the City of Olympia, a municipal corporation of the State of Washington, hereinafter referred to as “Olympia”, collectively hereinafter referred to as the “parties”.

WHEREAS, the Parties recognize that water resources are finite and vulnerable, and the prudent use and management of these resources requires cooperation among water utilities, and

WHEREAS, the purpose of this Agreement between the Parties is to provide for immediate assistance and coordinated interconnection of the respective potable water system of each city with the other to maintain levels of service during temporary periods of water production insufficiency; and

WHEREAS, this Agreement is authorized under Chapter 39.34 RCW, WAC 246-290-131 and WAC 246-290-132; and

WHEREAS, Olympia provided wholesale water to Lacey until June 30, 2016 under an Intergovernmental Agreement for the Sale of Water through the intertie covered by the Agreement, and

WHEREAS, the Parties recognize entering into this agreement does not provide a guarantee of water resource availability, and

WHEREAS, this Agreement is consistent with the North Thurston County Coordinated Water System Plan;

NOW, THEREFORE, the parties agree to this Agreement as follows:

**I. SPECIFIC CONDITIONS**

1. Each signatory to this Agreement agrees that for purposes of this Agreement a water supply emergency is defined 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 the water supply system.

2. Olympia agrees in the event that Lacey requests potable water service to address a water supply emergency as defined in item 1 above to provide potable water service to Lacey if Olympia has the capacity to do so. Neither agency is obligated under this agreement to provide potable water service to the other in all circumstances.
3. Water may be provided to Lacey following a mutually agreed to water supply emergency by Olympia whenever water is requested and available, but the water use will never exceed water rights (unless permitted by law or by the Department of Ecology), taking into consideration water stored in reservoirs. Washington Department of Health requirements for minimum water storage and minimum water line pressures will also be maintained (unless permitted by law or the Department of Health).
4. Water use by Lacey under this Agreement shall be limited to up to two million gallons per day of water during the months of November through June, and up to one million gallons per day of water during the months of July through October. Such water supply limitations may be revised by Olympia at its discretion and do not represent a guarantee to Lacey of water availability. There are no additional water conservation programs, data collection, water demand forecasting, and other operational matters required by this Agreement.
5. The aforementioned potable water service shall be supplied through an emergency water system intertie located at Mountain Aire Location A (Exhibit A). The Parties agree said intertie shall be utilized only in a mutually agreed to water supply emergency unless converted by mutual agreement to a regular wholesale service.
6. Activation of said emergency intertie for water used under this Agreement shall be coordinated and administered by Olympia's and Lacey's Public Works Departments. Activation of the emergency intertie may occur only after the duration of time, the amount of water and any other conditions deemed appropriate to apply have been mutually agreed to.
7. No emergency intertie activation shall take place without a representative from Olympia and Lacey present at the emergency intertie location at the time of activation.
8. The purpose of this Agreement is for the benefit of Lacey; therefore, there shall be a service charge for water service provided.
9. Starting from the beginning of water service provided to Lacey under this Agreement, Olympia shall be reimbursed for water used based on the most

recent Olympia wholesale water rates for Lacey in effect at the time of water use under this Agreement, adjusted annually at the same rate as the published Seattle Consumer Price Index (CPI). The most recent Olympia wholesale water rate for the City of Lacey is a fixed monthly charge of \$16,852.32 plus volume charges of \$0.220 per ccf (hundred cubic feet), prorated for the actual amount of time water is used, provided that a weekly fixed charge, plus volume, will serve as the minimum charge for water used under this Agreement. The wholesale water rate will be re-evaluated by December 31, 2020.

10. Lacey shall, to the extent feasible, implement conservation measures that restrict non-emergency water consumption to levels that will not impinge on water service levels necessary to protect health and safety, and to meet the reasonable expectations of the customers of Olympia.
11. Olympia shall retain the right to deny or withdraw some or all of its resources at any time should assistance to Lacey impinge on the protection of property and life in Olympia, as determined by Olympia.

## II. INTERLOCAL ELEMENTS:

1. Duration. This agreement shall be “on-going” until terminated by the parties as provided by paragraph 6 of this section.
2. No separate legal entity is created by this agreement.
3. No joint organization whatsoever is created.
4. No common budget is to be established.
5. No personal or real property is to be jointly acquired.
6. This Water Supply Agreement shall be effective immediately upon signature by both parties and shall remain in effect indefinitely, unless terminated by either:
  - A. Unilateral written notice by one party to the other that it intends to withdraw from this Agreement, in which case the termination will be effective immediately, unless otherwise specified, or
  - B. Written agreement signed by both parties, in which case the termination shall be effective immediately upon signature by both parties, unless another termination date mutually agreed to by both parties is specified.
7. The Contract Administrator for Olympia shall be the Olympia Water Resources Director. The Contract Administrator for Lacey shall be the Lacey Water Resources Manager.

8. This agreement shall be recorded with the Thurston County Auditor's Office prior to being effective, and in accordance with the requirements of RCW 39.34.040.

9. Each party shall be responsible for its own finances and for its own personal and real property.

III. GENERAL CONDITIONS

1. All lawsuits whatsoever in regards to this agreement shall be brought in Thurston County Superior Court. The governing law shall be laws of Washington State.

2. All notices with regard to this agreement shall be sent in addition to any other legal requirement to:

City of Olympia:

City of Olympia Public Works  
Attention: Andy Haub, P.E., Water Resources Director  
PO Box 1967  
Olympia, WA 98507

City of Lacey:

City of Lacey  
Attention: Peter C. Brooks, P.E., Water Resources Manager  
420 College Street SE  
Lacey, WA 98509-3400

CITY OF LACEY

CITY OF OLYMPIA

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
City Manager

ATTEST:

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Assistant City Attorney





UTILITIES COMMITTEE  
April 9, 2018

SUBJECT: Alternate day irrigation policy enhanced enforcement and changes to water utility fees

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RECOMMENDATION: Forward item to City Council with recommendation to authorize the City Council to approve the proposed LMC amendments and changes to water utility fees.

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STAFF CONTACT: Scott Spence, City Manager *SS*  
Scott Egger, Public Work Director *SE*  
Troy Woo, Finance Director *W*  
Peter Brooks, Water Resources Manager *PB*  
Stephanie Tonellato, Customer Service Supervisor *ST*  
Emily Watts, Water Resources Specialist *EW*

- ATTACHMENTS:
1. [Draft LMC Amendments](#)
  2. [Table of Proposed Fees and Fines](#)

BUDGET IMPACT/  
SOURCE OF FUNDS: \$0

PRIOR COUNCIL/  
COMMISSION/  
COMMITTEE REVIEW: Proposal of enhanced enforcement for the alternate day irrigation policy and changes to the water utility fees was presented at the Council work session on 3/1/2018. Council members recommended moving forward by presenting the proposal at the next available utilities committee meeting.

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BACKGROUND:

Alternate Day Irrigation Policy:

In 2006, the City of Lacey implemented the alternate day irrigation policy as a water demand management strategy. Water customers may irrigate three days per week depending on the last digit of their home address. Addresses ending in even numbers (0 2 4 6 8) can water on Sunday, Tuesday, and Thursday. Addresses ending in odd numbers (1 3 5 7 9) may water on Saturday, Monday, and Wednesday. Friday is a non-watering day for all water customers. Publicly owned playfields with scheduled activities are exempt and any non-irrigation activities such as car-washing, pressure washing, and filling of pools does not apply. Water customers can contact the City to receive a temporary exemption from the schedule for newly planted landscapes or yards that require more watering to establish healthy roots.

The goal of the alternate day irrigation policy is to reduce peak day demand of water. The population served by the City of Lacey water utility continues to rise and as it does, peak demand for water rises alongside it. In order to fully utilize the capacity of our current water system, we must work to increase active compliance of the watering policy. To do so, the City is proposing that we create fees for a third and fourth consecutive violation.

#### Water Utility Fees:

The City charges fees for specific actions taken by customers for the payment or non-payment of utility bills. Since 1976, these fees have not been evaluated or raised to meet the amount the City spends on the processing and activities associated with each fee. The City is proposing that we increase the fees to meet what comparable cities (Olympia, Tumwater, Thurston Co.) charge and/or what we are charged by our bank to process the fee.

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#### ADVANTAGES:

1. Increased compliance of the alternate day irrigation policy is expected to reduce peak day demand of water. This prevents construction of costly infrastructure which only meets summer demand thereby keeping water rates lower for longer.
2. By raising the amount charged for certain utility fees, the fee will now match the cost incurred by the City for providing those services.

#### DISADVANTAGES:

1. As with any change, there could be questions and objections from the public regarding the change in irrigation policy enforcement and the higher utility fees.

13.48.010 Sprinkling season.

The sprinkling hours and use of water for other than domestic purposes shall be under the jurisdiction of the water department of the city and shall be subject to change from time to time if the need arises. The failure to adhere to all rules established by the water department of the city in regard to restricted use of water shall be cause to discontinue service. All cases where service has been discontinued for violation of such rules shall not have service resumed until a service charge, set as provided in LMC Section 13.44.030, has been paid.

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13.48.010 Sprinkling season.

The sprinkling hours and use of water for other than domestic purposes shall be under the jurisdiction of the water department of the city and shall be subject to change from time to time if the need arises. The failure to adhere to all rules established by the water department of the city in regard to restricted use of water shall be cause to discontinue service. A third violation by any person, firm, or corporation of any rule established under this section by the water department shall constitute a class 2 civil infraction with a maximum fine of one hundred twenty-five dollars pursuant to RCW 7.80.120. A fourth violation by any person, firm, or corporation of any rule established under this section by the water department shall constitute a class 1 civil infraction with a maximum fine of two hundred fifty dollars pursuant to RCW 7.80.120. All cases where service has been discontinued for violation of such rules shall not have service resumed until a service charge, set as provided in LMC Section 13.44.030, has been paid.

## Proposed Enhanced Enforcement for Alternate Day Irrigation Policy

A violation is a signed affidavit from a member of the public or City Staff citing the non-compliant watering.	Current Policy	Proposed Policy
1 <sup>st</sup> Violation	Warning Letter	<b>Warning Letter</b>
2 <sup>nd</sup> Violation	Warning Letter	<b>Certified Mail Warning Letter</b>
3 <sup>rd</sup> Violation	Warning Letter	<b>\$125 fine</b>
4 <sup>th</sup> Violation	Water Shut off	<b>\$250 + Water Shut Off</b>

## Proposed Water Utility Fee Updates

Proposed Updates to Current Fees	Current	Proposed	Comparable Cities		
			Tumwater	Olympia	Thurston PUD
Disconnection Notice Fee	\$ 12.50	<b>\$ 15.00</b>	\$10.00	-	-
Disconnection Fee	\$ 25.00	<b>\$ 40.00</b>	\$30.00	-	\$5.00
NSF Check or Returned Check Fee	\$ 20.00	<b>\$ 30.00</b>	\$30.00	\$25.00	\$30.00
Disconnection/Reconnection Fee	-	-	\$30.00	\$25.00	\$45.00

## Proposed Water Utility Fee Additions

Proposed New Fee			Comparable Cities		
	Rate of Pay	Proposed Fee	Tumwater	Olympia	Thurston PUD
After Hours Restore Fee (tiered rate)	Weeknights	\$ 107.80	\$75.00	\$110.00	\$120 (in) \$165 (out)
	Weekends	\$132.67			\$210 (holiday/weekend)
Meter Tampering Fee	-	<b>\$200.00</b>	\$90.00	\$10.00	\$200.00