

1 Sponsored by: Councilmember Terry Lee
2 Requested by: County Executive/Public Works and Utilities Department – Environmental Services
3 Division

4
5 ORDINANCE NO. 2009-88s

6
7 **An Ordinance of the Pierce County Council Amending Section 13.13.085 of**
8 **the Pierce County Code, "Rates and Charges" by**
9 **Establishing New Rates and Charges for the Availability and**
10 **Furnishing of Sanitary Sewer Service; Indicating the Need**
11 **for Increases in Sanitary Sewer Service Rates and**
12 **Connection Charges; Establishing a Process to Monitor and**
13 **Evaluate Future Rate Increases; Requesting Information**
14 **Regarding Economic Development Programs; and Setting an**
15 **Effective Date.**

16
17 **Whereas**, Pierce County has full authority to establish, alter, regulate, and
18 control rates and charges it imposes for the availability of sanitary sewer service
19 pursuant to Chapter 36.94 of the Revised Code of Washington (RCW); and

20
21 **Whereas**, Pierce County recognizes a need for proactive infrastructure planning
22 and target investments through approval of the "Pierce County Government Economic
23 Action Agenda" pursuant to Resolution No. R2007-13; and

24
25 **Whereas**, the Pierce County Sewer Utility became operational in 1984 and
26 provides sanitary sewer services to approximately 57,000 homes and businesses and
27 serves approximately 252,000 persons in unincorporated Pierce County, the Cities of
28 Lakewood, University Place, DuPont, and Milton, the Town of Steilacoom, and portions
29 of the Cities of Tacoma, Fife and Edgewood; and

30
31 **Whereas**, the sanitary sewer system is comprised of the Chambers Creek
32 Regional Wastewater Treatment Plant, approximately 663 miles of sewage collection
33 pipe, 95 lifts stations, 825 residential grinder pump stations, and other components
34 having an estimated asset replacement value of \$1.3 billion; and

35
36 **Whereas**, demand for sanitary sewer treatment services has increased steadily
37 as a result of population growth since the establishment of the Pierce County Sewer
38 Utility with historic monthly average peak sewage wastewater flows increasing from
39 approximately 5 million gallons per day in 1984 to more than 20 million gallons per day
40 in 2009, and has experienced individual daily peak months in excess of 25 million
41 gallons per day; and



1 **Whereas**, the Chambers Creek Regional Wastewater Treatment Plant currently
2 has a maximum rated capacity of 28.7 million gallons per day and a net operational
3 capacity of 24.4 million gallons per day; and
4

5 **Whereas**, based upon population growth forecasts produced by the Washington
6 State Office of Financial Management, the demand for wastewater treatment services is
7 expected to exceed the available treatment capacity within the next 6 to 10 years
8 necessitating the expansion of the Chambers Creek Regional Wastewater Treatment
9 Plant; and
10

11 **Whereas**, in addition to the expansion of the capacity in the Chambers Creek
12 Regional Wastewater Treatment Plant, improvements to the system of pipes and pumps
13 which collect and transport wastewater to the treatment plant as delineated in the
14 Unified Sewer Plan, adopted by Ordinance No. 2001-51s, will also be necessary to
15 meet growth demands; and
16

17 **Whereas**, on-going improvements and repairs to the sanitary sewer system are
18 also needed to ensure that the system continues to function properly and maintains
19 compliance with state and federal laws; and
20

21 **Whereas**, it is estimated that the cost of improvements to the sanitary sewer
22 system, based upon Chambers Creek Regional Wastewater Treatment Plant facility
23 planning documents and the Unified Sewer Plan, for the six-year period from 2010
24 through 2015 will be approximately \$280 million and will be \$384 million for the 15 year
25 time period from 2016 through 2030; and
26

27 **Whereas**, it is anticipated that Pierce County will need to sell bonds beginning in
28 2010 to fund the sanitary sewer system improvements; and
29

30 **Whereas**, current sewer rates and connection charges will not generate sufficient
31 revenue to fund the estimated capital improvement needs of the Pierce County Sewer
32 Utility, including the anticipated debt service associated with the bonds; and
33

34 **Whereas**, the Pierce County Sewer Utility is a self-supporting enterprise
35 requiring that the costs incurred by the Utility be paid by the revenues generated by the
36 Utility; and
37

38 **Whereas**, it has been determined that increases in sewer rates and connection
39 charges are necessary to meet the financial requirements of the Pierce County Sewer
40 Utility; and
41



1 **Whereas**, it is anticipated that such increases will occur over a multi-year period
2 with the first increases occurring on January 1, 2010; and

3
4 **Whereas**, the Council desires that a reporting mechanism be established to
5 monitor the on-going expenses and revenues of the Pierce County Sewer Utility to
6 serve as a foundation for future rate increase considerations; and

7
8 **Whereas**, the County Council, through Ordinance No. 2008-79s, has
9 acknowledged and supports the Sewer Utility's capital plans, over the next six years, for
10 maintenance, operations, preservation, improvement and administration of the Utility's
11 facilities and services; and that the Utility will need to secure general obligation bonds to
12 achieve these goals; and

13
14 **Whereas**, the County deems it necessary to revise the rates and charges it
15 imposes for the availability and furnishing of sanitary sewer services in order to fairly,
16 effectively and efficiently operate, maintain and preserve its sanitary sewer system, and
17 construct necessary wastewater treatment and collections facilities to support economic
18 growth in the County; and

19
20 **Whereas**, the Council is aware of on-going contract negotiations between the
21 Town of Steilacoom and the Sewer Utility regarding sewer services and it is the intent of
22 the Council for the rate increase to not take effect within the Town of Steilacoom prior to
23 the completion of negotiations, but no later than June 30, 2010; and

24
25 **Whereas**, the passage of this Ordinance is in the best interest of the County and
26 its citizens; **Now Therefore, BE IT ORDAINED by the Council of Pierce County:**

27
28 Section 1. The Pierce County Council finds that increases in sanitary sewer
29 rates and connection charges are needed to meet the capital improvement and on-
30 going administration, operation, and maintenance needs of the Pierce County Sewer
31 Utility.

32
33 Section 2. The Pierce County Council hereby requests that the Public Works
34 and Utilities Department provide a quarterly monitoring report to the Economic and
35 Infrastructure Development Committee. This report shall document the on-going status
36 of sanitary sewer system capital improvements and improvements to the Chambers
37 Creek Properties and provide continuing assurance that sewer revenues are not used to
38 subsidize the Chambers Bay Golf Course. This report shall provide the current status of
39 all active capital projects, estimated design completion date, estimated construction
40 start and end dates, any changes in estimated costs relative to the six-year capital
41 program including any increases or decreases in cost with an explanation for each



1 change, estimated bid advertisement date, bid results, and summary of the winning bid.
2 The monitoring report shall also document overall progress in completion of the six-year
3 sewer capital program, any unanticipated costs or savings, any changes in the sewer
4 rate and connection charge schedule that may be warranted based upon such changes,
5 the status of the bond financing schedule, and other information that the Department
6 deems relevant to the Council's monitoring of the sewer capital program. The first
7 quarterly monitoring report shall be provided no later than August 1, 2010.

8
9 Section 3. The Executive is requested to present a plan for the implementation of
10 a sewer rate surcharge for the financing of sewer related economic development
11 initiatives to the Economic and Infrastructure Development Committee of the Council on
12 or before July 1, 2010. The plan shall include the annual estimated revenues from the
13 surcharge, the type of implementing legislation required, proposed parameters on how
14 and when expenditures can be made from the fund, how the surcharge complies with
15 current law, opportunities to utilize the surcharge in conjunction with Build America
16 Bonds and other economic development tools and opportunities, and any other
17 information that the Executive deems relevant to a Council decision on whether to
18 impose the surcharge in 2011.

19
20 Section 4. Section 13.13.085 of the Pierce County Code, "Rates and Charges,"
21 is hereby amended as shown in Exhibit A which is attached hereto and incorporated
22 herein by this reference.

23
24 Section 5. This Ordinance shall become effective on January 1, 2010.

25
26 **PASSED this _____ day of _____, 2009.**

27
28 ATTEST:

PIERCE COUNTY COUNCIL
Pierce County, Washington

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30
31
32 _____
33 **Denise D. Johnson**
34 Clerk of the Council

35
36 _____
37 **Roger Bush**
38 Council Chair

39
40 _____
41 **Pat McCarthy**
42 Pierce County Executive
Approved _____ Vetoed _____, this
_____ day of _____,
2009.

41 Date of Publication of Notice of Public Hearing: _____

42 Effective Date of Ordinance: _____

