

Committee Members

Councilmember Chris Moore
Councilmember Melodi Koenig
City Administrator Scott Larson
Finance Director Gretchen Russo
City Clerk Kim Agfalvi
Executive Asst. Danielle Charchenko
Public Works Director Marshall Maurer
Public Works Superintendent Ryan McBee
Capital Projects Manager John Bielka
PW Admin Asst. Laura Hinds
Building Official Tim Lincoln
Records Organizer & Permit Tech Alison Williams
Engineer JC Hungerford

City of Orting Public Works Committee
AGENDA



Wednesday, March 6, 2024 – 2:30 p.m.
ORTING CITY HALL, COUNCIL CHAMBERS, 104 BRIDGE ST S

ZOOM LINK

<https://us06web.zoom.us/j/83946094129?pwd=O20xVixf7N3RofaJEF7iyld4leCZY.1>

Meeting ID: 839 4609 4129. Passcode: 863211.

- Call Meeting to Order, Roll Call
- Approval of Minutes
- Public Comment & Presentations

DEPARTMENT REPORTS

Est. Time Action

<p>1. ADMINISTRATION –City Administrator Scott Larson 1.1 Utility Rate Study 1.2 TBD Funding & Policy 1.3 WSDOT SR 162 E Project Report</p>	Min 10	
<p>2. ENGINEERING UPDATES – JC Hungerford PE, Parametrix 2.1 Kansas Street SW <ul style="list-style-type: none"> ○ Reconstruction ○ ROW 2.2 Whitehawk Blvd bypass 2.3 WSDOT Fish Passage 2.4 Water System Plan 2.5 Stormwater Plan</p>	Min 15	
<p>3. PROJECT MANAGEMENT UPDATES – John Bielka 3.1 WRRF Design – Wilson Eng. looking to deliver 30% design in April 2024 with final design in April 2025</p>	Min 5	

Committee Members

Councilmember Chris Moore
Councilmember Melodi Koenig
City Administrator Scott Larson
Finance Director Gretchen Russo
City Clerk Kim Agfalvi
Executive Asst. Danielle Charchenko
Public Works Director Marshall Maurer
Public Works Superintendent Ryan McBee
Capital Projects Manager John Bielka
PW Admin Asst. Laura Hinds
Building Official Tim Lincoln
Records Organizer & Permit Tech Alison Williams
Engineer JC Hungerford

City of Orting Public Works Committee

AGENDA



4. PUBLIC WORKS – Marshall Maurer 4.1 Side Sewer Policy & Procedure 4.2 Vehicle Surplus 4.3 iWORQ	Min 15	
5. FINANCE – Gretchen Russo 5.1	Min	

6. BUILDING – Tim Lincoln 6.1 Building Code Amendment-Review 6.2 Monthly Building Activity	Min	
---	-----	--

7. COUNCIL – CM Moore & CM Koenig 7.1	Min	
---	-----	--

REQUEST FOR NEW BUSINESS

-

ROUND TABLE

-

MEETING SUMMARY

ADJOURN



**City of Orting
Council Agenda Summary Sheet**

	Agenda Bill #	Recommending Committee	Study Session Dates	Regular Meeting Dates
Subject: Utility Rate Study	AB23-XX	PW		
		4.3.24		
	Department:	Administration		
	Date Submitted:	3.27.24		
Cost of Item:	N/A			
Amount Budgeted:	N/A			
Unexpended Balance:	N/A			
Bars #:	N/A			
Timeline:	None			
Submitted By:	Scott Larson/Marshall Maurer			
Fiscal Note: None				
Attachments: 2019 Utility Rate Study				
SUMMARY STATEMENT:				
<p>In 2019, the City conducted a utility rate study and set rates for 2020-2024. Last fall, while planning the 2024 Budget, there was an intention to conduct a follow-up rate study this year. However, City staff now advise against proceeding with the rate study at present due to ongoing water system and general sewer plan efforts. These plans are critical for identifying future needs and priorities, which will, in turn, inform the necessary funding levels for these utilities and affect future rates. Conducting a rate study now could result in rates that don't align with the upcoming needs identified in these plans. Additionally, staff recommend updating the stormwater plan, a separate matter under consideration by the Public Works Committee. Should the utility planning not conclude by year-end, staff suggest maintaining the current rates into 2025 or adjusting them based on a cost index that reflects the yearly changes in the cost of providing utility services.</p>				
RECOMMENDED ACTION: Staff recommends pausing utility rate setting efforts until system plans are complete.				
FUTURE MOTION: TBD				



 **bakertilly**
MUNICIPAL ADVISORS
now joined with
Springsted and Umbaugh

Orting, Washington
Water, Sanitary Sewer and Stormwater
Rate Study
October 29, 2019



now joined with
Sprinastad and Umbaugh
Baker Tilly Municipal Advisors, LLC
380 Jackson Street, Suite 300
St. Paul, MN 55101
+1 (651) 223 3000
+1 (651) 223 3046
bakertilly.com

December 2, 2019

Mr. Scott Larson, City Treasurer
Mr. Greg Reed, Public Works Director
City of Orting
110 Train St. SE
PO Box 489
Orting, Washington 98360

Re: Water, Sanitary Sewer and Stormwater Rate Study

Dear Scott and Greg:

Baker Tilly Incorporated was hired to perform a rate study for the City's Water, Sanitary Sewer and Stormwater Utilities. This Study includes a review of the past performance of the Utilities, determines the adequacy of revenues in each Utility, and provides rate recommendations which reflect recent cost experience as well as anticipated capital improvement costs for the Funds.

We appreciate the opportunity to conduct this Water, Sanitary Sewer and Stormwater Study for the City of Orting.

Respectfully submitted,

Patty Kettles
Patty Kettles, Director
Consultant

Contents

1. INTRODUCTION	1
2. BACKGROUND.....	2
WATER FUND	3
SEWER FUND	5
STORMWATER FUND	7
CURRENT RATES	9
TIERED SEWER RATES.....	11
SNOWBIRD RATES	16
CASH RESERVES	16
ASSUMPTIONS	17
3. WATER UTILITY.....	18
CAPITAL OUTLAY.....	18
FINANCIAL PROJECTIONS	20
4. SEWER UTILITY	23
CAPITAL OUTLAY.....	23
FINANCIAL PROJECTIONS	23
5. STORMWATER UTILITY	27
CAPITAL OUTLAY.....	27
FINANCIAL PROJECTIONS	28
6. SAMPLE BILLS.....	31
7. COMPARISON TO NEIGHBORING COMMUNITIES	33
8. CONCLUSIONS AND RECOMMENDATIONS	34



Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and wholly-owned subsidiary of Baker Tilly Virchow Krause, LLP, an accounting firm. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

now joined with
Springsted and Umbaugh

1. Introduction

Baker Tilly was hired to review and analyze Orting's Water, Sewer and Stormwater Fund to determine the appropriate rate structures and other revenue sources needed for operations and the financing of capital improvements. The rate structure and other revenue in each Fund must provide sufficient revenue to cover anticipated operating and maintenance expenses, debt service including principal and interest, capital improvements and replacements, and to maintain adequate cash reserves. The total revenue collected should reflect not only recent cost experience but should recognize anticipated future costs during the period for which rates are being established.

This report includes a review of the City's Water Fund, Sewer Fund and Stormwater Fund and historical revenues and expenses, 2019 budget, a projection of revenues and expenses through 2030 (incorporating plans for capital improvements in all Funds), and a determination of the rates and charges necessary to provide revenues sufficient to cover capital and operational costs. In addition, it provides a comparison of current and proposed rates and a comparison of Orting utility rates to those of six surrounding communities.

2. Background

Orting, a city approximately 40 miles south of Seattle in the foothills of Mt. Rainier, provides approximately 2,900 residential and commercial accounts with water, sewer and stormwater service. The City encompasses approximately 2.6 square miles and has an estimated 2018 population of 8,395 persons.

Currently, the City obtains its water supply from six wells and has approximately 45 miles of water mains.

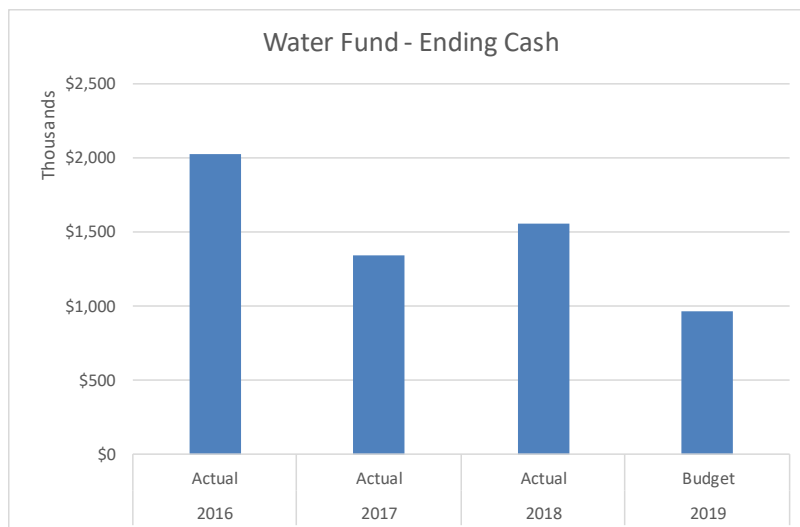
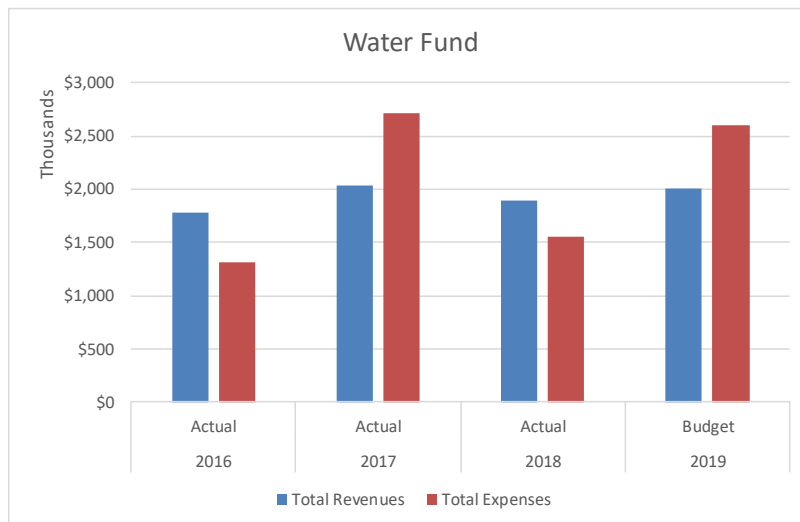
The City also maintains a sanitary sewer collection system which discharges into the waste treatment system managed by the City. There are approximately 30 miles of sewer mains.

The City operates the Stormwater Utility by taking an active role in managing stormwater run-off in flood prevention, erosion control, and in reducing pollution of local waterways.

Water Fund

Historical Information

A review of the City’s most recent financial reports for the Water Fund shows revenues have exceeded expenses in 2016 and 2018 and expenses have exceeded revenues in 2017 and are projected to do so again in the 2019 budget. This is reflected in the Water Fund ending cash and investment balance, which was approximately \$2.0 million in 2016 and is projected to decline to \$970,000 at the end of 2019. These are shown in the charts below.



2. Background

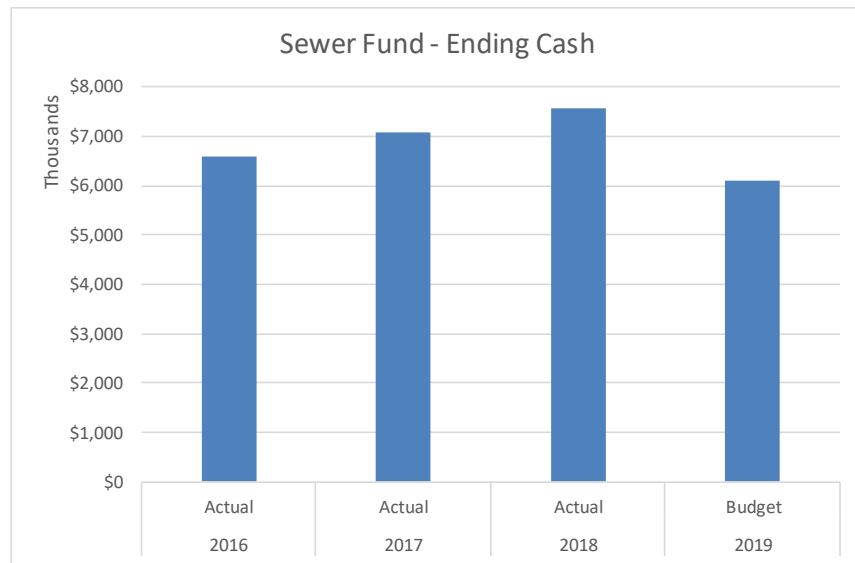
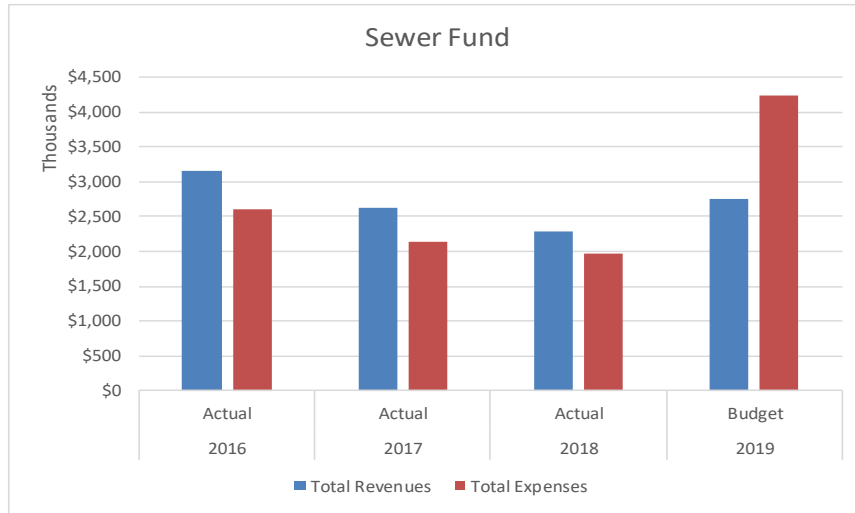
Revenues and expenses for the past three years and the 2019 budget are shown on the following pages.

	2016	2017	2018	2019
Revenues	Actual	Actual	Actual	Budget
Total Water Sales	1,332,529	1,525,981	1,520,293	1,655,300
Charges - Water Hookups	43,225	69,825	42,275	28,500
Penalties on Utilities	95,622	95,370	44,730	40,000
Water GFC	253,932	224,150	214,013	240,000
Nonrevenues	3,000	3,000	1,500	-
Fines and Penalties	25,080	37,775	34,865	22,000
Miscellaneous	13,407	12,801	11,869	10,200
Investment Interest	8,442	16,815	19,617	10,000
Transfers In				
Bond Proceeds				-
Grants				
Other Revenue		47,004		
Total Operating Revenue	1,775,237	2,032,720	1,889,162	2,006,000
Expenses				
Salaries and Wages	315,992	372,857	330,030	467,974
Personnel Benefits	151,071	159,109	146,152	209,498
Supplies	25,339	37,159	32,189	50,500
Services	273,480	294,063	281,119	430,620
Intergovernmental	70,226	86,283	79,304	70,500
CAPEX	72,839	1,345,909	409,525	313,640
Existing Debt Principal	194,733	193,928	185,353	216,333
Existing Debt Interest	41,085	39,554	32,429	32,182
New Debt Principal				
New Debt Interest				
Transfers Out	32,684	47,759	52,260	660,000
Other	136,000	139,366		139,000
Total Operating Expenses	1,313,449	2,715,987	1,548,361	2,590,247
Income (Loss)	461,788	(683,267)	340,801	(584,247)
Beginning Cash & Investments	1,580,735	2,023,601	1,340,333	1,552,126
Ending Cash & Investments Balance	2,023,601	1,340,333	1,552,126	967,879

Sewer Fund

Historical Information

In the Sewer Fund, revenues have exceeded expenses in each of the past three years but are projected to decline below expenses in the 2019 budget. Cash in the Sewer Fund has remained fairly stable over the past four years and is projected to be approximately \$6.1 million at the end of 2019. Historical revenues and expenses and ending cash and investment balances are shown in the charts below.



2. Background

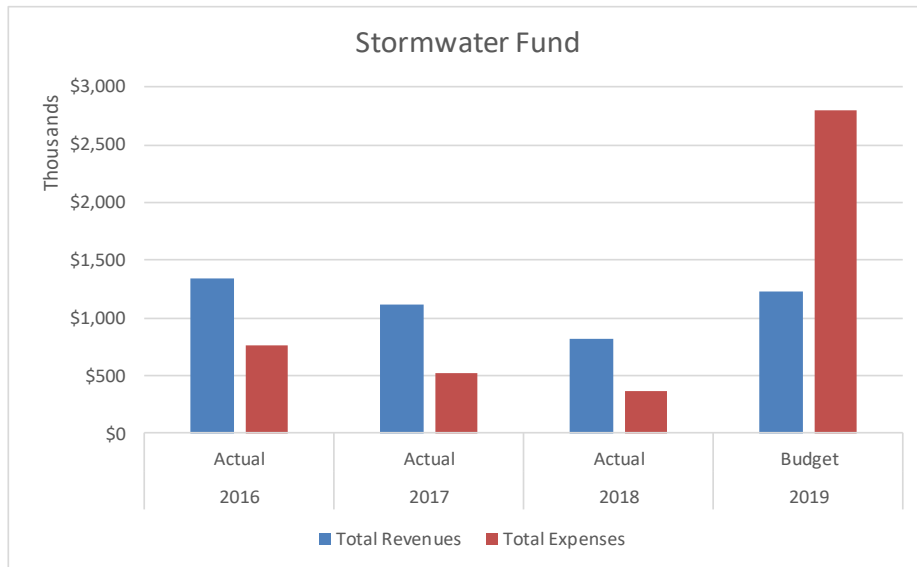
Revenues and expenses for the past three years and the 2019 budget are shown on the following pages.

	2016	2017	2018	2019
Revenues	Actual	Actual	Actual	Budget
Total Sewer Sales	1,550,021	1,667,231	1,581,219	1,904,800
Total Sewer Sales - High Cedars	139,075	142,657	131,132	155,000
Charges - Sewer Hookups	41,860	64,860	38,380	28,500
Penalties on Utilities				
Sewer GFC	1,252,170	542,268	451,400	480,000
Nonrevenues	136,000	136,000		136,000
Fines and Penalties				
Miscellaneous		446	5,000	732
Investment Interest	34,873	68,284	79,838	55,000
Transfers In				
Bond Proceeds				-
Grants				
Other Revenue		1,502		
Total Revenue	3,153,998	2,623,248	2,286,968	2,760,032
Expenses				
Salaries and Wages	332,322	352,023	351,219	468,620
Personnel Benefits	146,247	152,078	147,610	197,980
Supplies	37,422	57,309	50,537	66,900
Services	420,053	416,413	463,854	1,334,376
Intergovernmental	84,442	101,647	82,849	87,400
CAPEX	1,260,917	716,230	523,910	458,640
Existing Debt Principal	250,000	260,000	270,000	21,962
Existing Debt Interest	26,760	16,435	5,656	2,913
New Debt Principal				
New Debt Interest				
Transfers Out	42,783	55,044	62,034	1,600,000
Other		1,849		
Total Expenses	2,600,946	2,129,028	1,957,669	4,238,790
Income (Loss)	553,052	494,220	329,299	(1,478,758)
Beginning Cash & Investments	6,026,277	6,579,329	7,073,549	7,571,441
Ending Cash & Investments	6,579,329	7,073,549	7,571,441	6,092,683

Stormwater Fund

Historical Information

In the Stormwater Fund, revenues have exceeded expenses in each of the past three years but are projected to decline below expenses in the 2019 budget. Cash in the Stormwater Fund has increased over the past three years from approximately \$1.3 million in 2016 to \$2.4 million in 2018 but is projected to decline to \$810,000 in 2019 due to large capital projects. Historical revenues and expenses and ending cash and investment balances are shown in the charts below.



2. Background

	2016	2017	2018	2019
Revenues	Actual	Actual	Actual	Budget
Intergovernmental	352,648	111,247	20,377	325,000
Fees-Storm Drainage	843,583	926,164	721,210	830,000
Storm GFC	138,395	59,528	52,280	57,750
GFC Surcharge	6,322	195	-	578
Storm Surcharge	598	920		-
Miscellaneous		221		500
Investment Interest	5,119	15,298	20,110	10,000
Transfers In				
Bond Proceeds				-
Grants				
Other Revenue		1,502		
Total Revenue	1,346,665	1,115,075	813,976	1,223,828
Expenses				
Salaries and Wages	211,980	208,841	168,753	298,115
Personnel Benefits	89,795	87,558	67,784	135,260
Supplies	8,596	8,839	10,536	12,600
Services	107,464	138,047	91,982	406,685
Intergovernmental	4,674	6,649	9,335	6,700
CAPEX	335,724	62,965	1,978	655,440
Existing Debt Principal	45			11,683
Existing Debt Interest				1,549
New Debt Principal				
New Debt Interest				
Transfers Out	6,426	14,406	16,643	660,000
Other		888		
Total Expenses	764,704	528,193	367,011	2,188,032
Income (Loss)	581,961	586,882	446,965	(964,204)
Beginning Cash & Investments	729,056	1,337,574	1,924,454	2,381,694
Ending Cash & Investments	1,337,574	1,924,454	2,381,694	1,417,489

Current Rates

WATER—Monthly Base Charge (Within City Limits)				
Meter Size	2018		2019	
	Residential	Commercial	Residential	Commercial
0.75"	\$23.00	\$23.00	\$24.38	\$24.38
1-1.5"	\$37.55	\$37.55	\$39.81	\$39.81
2.0-4.0"	\$53.33	\$53.33	\$56.53	\$56.53
Qualified Low Income	\$17.25		\$18.29	
Block Rates per 100 cubic feet of water USED				
Rate Class	2018	2018	2019	2019
	Residential	Commercial	Residential	Commercial
Single Block Rate (per ccf)		\$3.47		\$3.68
Block 1: 100-600 CU FT	\$2.50		\$2.65	
Block 2: 601-1700 CU FT	\$3.35		\$3.55	
Block 3: 1701 + CU FT	\$5.04		\$5.34	
Block 1: 0 to 600 CF—Qualified Low Income	\$1.87		\$1.98	
Block 2: 601 to 1700 CF—Qualified Low Income	\$2.51		\$2.66	
Block 3: 1701 + CF—Qualified Low Inc.	\$3.78		\$4.01	
SEWER - Monthly Flat Rate				
Customer Class	2018	Flow (per ccf)	2019	Flow (per ccf)
Residential	\$47.18		\$49.49	
Residential - Snowbird	\$34.31		\$35.99	
Residential - Qualified Low Income	\$35.38		\$37.12	
Commercial—Domestic ¹	\$47.18	\$4.86	\$49.49	\$5.10
Commercial—Domestic ²	\$47.18	\$8.61	\$49.49	\$9.04
¹ Churches, Lodges, Businesses, Library, commercial Residence, Daycare, Schools				
² Restaurant, Grocery with Deli, Other Food Related Businesses				
High Cedars Sewer Service				
Residential	\$59.91		\$62.85	
Business	\$59.91	\$6.18	\$62.85	\$6.49
Restaurant	\$59.91	\$10.94	\$62.85	\$11.48
STORMWATER				
	2018		2019	
Monthly Flat Rate	\$20.00		\$20.60	

2. Background

In order to determine equity in the rates charged, we reviewed customer counts, volumes and billing data. Of total water revenues received, 94.0% was from residential customers and 6.0% was from commercial customers. The total volume of water sold was 93.4% residential and 6.6% commercial. Typically, a difference under 5% is acceptable and indicates equitable rate structures. The water rates are equitable, and we don't see the need to change the water blocks.

2018 WATER	Residential	%	Commercial	%
Revenues	\$1,598,883	94.0%	\$101,292	6.0%
Volume (100cf)	286,009	93.7%	19,154	6.3%

Of total sewer revenues received, 90.7% was from residential customers, 5.7% was from commercial1 customers and 3.6% from commercial2 customers. The total volume of sewer treated was 93.8% residential, 3.5 commercial 1 and 2.7% commercial 2. The sewer rates are also equitable.

2018 SEWER	Residential	%	Commercial 1	%	Commercial 2	%
Revenues	\$1,773,743	90.7%	\$112,426	5.7%	\$70,316	3.6%
Volume (100cf)	221,260	93.8%	8,249	3.5%	6,301	2.7%

Tiered Sewer Rates

The City has requested that we provide options for implementing a tiered-rate structure for the Sewer Utility, similar to that of the Water Utility. Current revenues from sewer charges are budgeted at approximately \$1.9 million in 2019.

Based on the average monthly consumption over the past two twelve-month periods, this revenue is estimated to be generated across the following user groups as follows:

Residential revenues - \$1,700,000

Non-residential - \$175,000

Qualified Low Income - \$30,000

Therefore, our goal was to generate the same amount of revenues by implementing a fixed charge and tiered volume charge for each user group. One such option is proposed:

Residential		Qualified Low	
Base Charge	\$30.00	Base Charge	\$20.00
0-600 CF	\$3.00	0-600 CF	\$3.00
600-1700 CF	\$3.75	600-1700 CF	\$3.75
>1700 CF	\$4.69	>1700 CF	\$4.69

Non-Residential	
Base Charge	\$30.00
0-600 CF	\$4.50
600-1700 CF	\$5.63
>1700 CF	\$7.03

Based on the average monthly consumption over the past two twelve-month periods, the proposed sewer rates are estimated to generate the following revenues by user group:

Residential revenues - \$1,770,000

Non-residential - \$175,000

Qualified Low Income - \$24,000

However, more revenues would be generated from the volume charge vs. the base charge for each of these groups, making revenues more variable.

Sample bills for various customers in each group under the proposed rates and the current rates are shown in the tables below. It should be noted, all Non-residential volume charges are assumed at the "Commercial-Domestic1" rate of \$5.10 per ccf.

2. Background

Residential				
Average bill @ or under 600 cf				
			units	
\$30.00	Base Charge		1	\$30.00
\$3.00	Unit charge under 600cf		6	<u>\$18.00</u>
			proposed total	\$48.00
			<i>current</i>	<i>\$49.49</i>
Average bill between 600-1700cf				
			units	
\$30.00	Base Charge		1	\$30.00
\$3.00	Unit charge under 600cf		6	\$18.00
\$3.75	Unit charge 600-1700cf		6	<u>\$22.50</u>
			proposed total	\$70.50
			<i>current</i>	<i>\$49.49</i>
Average billover 1700				
			units	
\$30.00	Base Charge		1	\$30.00
\$3.00	Unit charge under 600cf		6	\$18.00
\$3.75	Unit charge 600-1700cf		11	\$41.25
\$4.69	Unit charge over 1700cf		14	<u>\$65.66</u>
			proposed total	\$154.91
			<i>current</i>	<i>\$49.49</i>

Non-Residential				
Average bill @ or under 600 cf				
			units	
\$30.00	Base Charge		1	\$30.00
\$6.25	Unit charge		6	<u>\$37.50</u>
			proposed total	\$67.50
			<i>current</i>	<i>\$80.09</i>
Average bill between 600-1700cf				
			units	
\$30.00	Base Charge		1	\$30.00
\$6.25	Unit charge		13	<u>\$81.25</u>
			proposed total	\$111.25
			<i>current</i>	<i>\$115.79</i>
Average bill over 1700 cf				
			units	
\$30.00	Base Charge		1	\$30.00
\$6.25	Unit charge		32	<u>\$200.00</u>
			proposed total	\$230.00
			<i>current</i>	<i>\$212.69</i>

Qualified Low Income				
Average bill under 600 cf				
			units	
\$20.00	Base Charge		1	\$20.00
\$3.00	Unit charge under 600cf		5	\$15.00
			proposed total	\$35.00
			<i>current</i>	\$37.12
Average bill between 600-1700cf				
			units	
\$20.00	Base Charge		1	\$20.00
\$3.00	Unit charge under 600cf		6	\$18.00
\$3.75	Unit charge 600-1700cf		6	\$22.50
			proposed total	\$60.50
			<i>current</i>	\$37.12
Average bill over 1700				
			units	
\$20.00	Base Charge		1	\$20.00
\$3.00	Unit charge under 600cf		6	\$18.00
\$3.75	Unit charge 600-1700cf		11	\$41.25
\$4.69	Unit charge over 1700cf		10	\$46.90
			proposed total	\$126.15
			<i>current</i>	\$37.12

A second option is a fixed charge and a flat volume charge:

Residential		Qualified Low Income	
Base Charge	\$30.00	Base Charge	\$20.00
Volume Charge	\$3.45	Volume Charge	\$3.45
Non-Residential			
Base Charge	\$30.00		
Volume Charge	\$6.25		

Based on the average monthly consumption over the past two twelve-month periods, the proposed sewer rates are estimated to generate the following revenues by user group:

- Residential revenues - \$1,778,000
- Non-residential - \$174,000
- Qualified Low Income - \$24,000

As with the tiered volume charges, more revenues would be generated from the volume charge vs. the base charge for each of these groups, making revenues more variable.

Sample bills for various customers in each group under the proposed rates and the current rates are shown in the tables below. It should be noted, all Non-residential volume charges are assumed at the "Commercial-Domestic1" rate of \$5.10 per ccf.

2. Background

Please note, these rates are projected to generate 2019 budgeted sewer revenues. Current projections indicate annual rate increases of 7.0% will be necessary to fund

Residential			
Average bill @ or under 600 cf			
		units	
\$30.00	Base Charge	1	\$30.00
\$3.45	Unit charge	6	<u>\$20.70</u>
		proposed total	\$50.70
		<i>current</i>	\$49.49
Average bill between 600-1700cf			
		units	
\$30.00	Base Charge	1	\$30.00
\$3.45	Unit charge	12	<u>\$41.40</u>
		proposed total	\$71.40
		<i>current</i>	\$49.49
Average bil lover 1700cf			
		units	
\$30.00	Base Charge	1	\$30.00
\$3.45	Unit charge	31	<u>\$106.95</u>
		proposed total	\$136.95
		<i>current</i>	\$49.49

operations, maintenance, debt service and projected capital projects. The rate increases would need to be applied to the initial rate structure.

Non-Residential			
Average bill @ or under 600 cf			
		units	
\$30.00	Base Charge	1	\$30.00
\$6.25	Unit charge	6	<u>\$37.50</u>
		proposed total	\$67.50
		<i>current</i>	\$80.09
Average bill between 600-1700cf			
		units	
\$30.00	Base Charge	1	\$30.00
\$6.25	Unit charge	13	<u>\$81.25</u>
		proposed total	\$111.25
		<i>current</i>	\$115.79
Average bill over 1700 cf			
		units	
\$30.00	Base Charge	1	\$30.00
\$6.25	Unit charge	32	<u>\$200.00</u>
		proposed total	\$230.00
City of Orting, Washington		<i>current</i>	\$212.69

Qualified Low Income			
Average bill under 600 cf			
		units	
\$20.00	Base Charge	1	\$20.00
\$3.45	Unit charge	5	<u>\$17.25</u>
		proposed total	\$37.25
		<i>current</i>	<i>\$37.12</i>
Average bill between 600-1700cf			
		units	
\$20.00	Base Charge	1	\$20.00
\$3.45	Unit charge	12	<u>\$41.40</u>
		proposed total	\$61.40
		<i>current</i>	<i>\$37.12</i>
Average bill over 1700cf			
		units	
\$20.00	Base Charge	1	\$20.00
\$3.45	Unit charge	27	<u>\$93.15</u>
		proposed total	\$113.15
		<i>current</i>	<i>\$37.12</i>

We reviewed the sewer rates of the following communities:

- Auburn
- Sumner
- Bonney Lake
- Buckley
- Gig Harbor
- Puyallup
- Fircrest
- Edgewood

The majority employ a base fee plus volume charge (flat rate). This is the most common type of sewer rate structure we've experienced in our work with a multitude of public entities. None of these communities utilize a tiered sewer rate structure. Our experience has been that customers will push back on sewer volume charges based on water usage, as water used for irrigation, pool filling and car washing do not enter the sewer collection and treatment systems. Some communities address these concerns by using the average winter season water usage as the basis for sewer volume charges. Other communities have provisions for customers to install deduct meters that are connected to the outside spigots. A tiered sewer volume system will exacerbate this issue, as excess use for irrigation and other outdoor uses may drive usage into a higher priced tier.

Snowbird Rates

Typically, we see that snowbirds are charged the fixed fee during the months that they are gone and then the average residential bill for the non-winter months, since they aren't around to establish a winter average. Sometimes people capture fees through shut-off and turn-on fees, but not all snowbirds turn off their water when they leave.

Each utility continues to incur the fixed costs of the system, regardless. Therefore, we would recommend that you continue to charge the snowbird base fee, setting it at a level that will cover all fixed costs of each utility and spread amongst all users equally. Such costs that vary with the amount of water consumed would be excluded from this calculation.

Staff has counted 4 snowbird accounts on average over the past several years. This is such a minor amount that the City may wish to discontinue snowbird rates as the administration fees most likely outweigh the benefits.

Cash Reserves

Baker Tilly's clients often ask about the amount of cash that should be available in their Utility funds. Utility funds need sufficient cash to pay current expenses, together with principal and interest on outstanding bonds. This would typically require each Utility fund to have a minimum of three months of anticipated operating expenses and one year's total debt service in cash at the end of each year. However, this does not provide any level of cash reserves for unforeseen expenses, emergencies, or to cover any shortfalls in the budget. The amount of cash reserves that each fund should have is dependent on several factors, including:

- Reserves that are legally required
- Variability of the annual revenue stream
- Variability in annual expenses
- Variability in rainfall
- Age and condition of fixed assets
- Anticipated future capital needs
 - Capital improvement plan
 - Regulatory compliance
- Replacement reserve
- Tolerance for risk
- Number of relatively large customers

Unfortunately, there are no prescribed formulas, and the amount of reserves varies considerably between utilities. We understand the reserve policy for the Enterprise Funds is 50% of operating expenses. Therefore, our projections strive to meet reserves at the 50% level, or greater if 3 months operating expenses and one year's debt service exceeds 50%.

Assumptions

The City provided Baker Tilly with a variety of material including:

- 2019 Water, Sewer and Stormwater Budgets
- Current Utility rates
- Water, Sewer and Stormwater Capital Improvement Plans
- Detailed water consumption information for the prior 4 years
- Information about each utility
- Outstanding utility debt
- 20 new connections annually 2019-2021; 10 new connections annually 2022-2029

Assumptions for the growth of revenues resulting from volume of new customers were projected to be 1.0% annually in each Fund.

Assumptions for the increase in operating expenses were based on historical trends. Operating expenses for Salaries and Wages were projected to grow 3.0% annually in all funds with Personnel Benefits increasing 5.0% annually, Supplies increasing at 5% and Services increasing 3% annually for all Funds.

The investment interest rate earned on the investment of annual cash was assumed to be 1% based on the annual beginning cash balance in each fund.

3. Water Utility

Capital Outlay

To determine the appropriate future fees and rates needed for the operation of the Water Utility over the planning period, we have incorporated the anticipated future capital outlay needs provided by the City.

Capital outlay is projected to be \$14,286,668 over the planning period. Many of the capital items are projected to be paid from cash in the Water Fund, except for two larger projects totaling \$8.4 million in 2025 and 2030 which are projected to be financed with debt for a term of 20 years at 4.5-5.0%. These capital costs and their projected source of funding are shown in the table below.

3. Water Utility

Year	Project	Water Utility	Water Bonds	Totals
2019	Hillside Mower	8,640		8,640
2019	OM14 - Upgrade Alarm System at all sources	10,000		10,000
2019	OM4 - Upgrade Meters to Radio Read System	45,000		45,000
2019	OM9 - SR 162 Service Crossing Replacement	40,000		40,000
2019	Well 1 VFD Engineering	15,000		15,000
2019	Well 1 VFD Engineering	135,000		135,000
2020	188th & 197th Waterline Crossing	60,000		60,000
2020	Harman Reservoir Demo	60,000		60,000
2020	OM4 - Upgrade Meters to Radio Read System	35,000		35,000
2020	Pressure Valve	210,000		210,000
2020	Well 1 VFD's	170,000		170,000
2020	Well 3 Chlorine System Relocation	47,000		47,000
2021	OM14 - Upgrade Alarm System at all sources	10,000		10,000
2021	OM3 - Downtown 8-inch Distribution Main Replcmnt	200,000		200,000
2021	OM4 - Upgrade Meters to Radio Read System	40,000		40,000
2021	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2021	Whitehawk Extension	615,000		615,000
2022	OM3 - Downtown 8-inch Distribution Main Replcmnt	200,000		200,000
2022	OM4 - Upgrade Meters to Radio Read System	40,000		40,000
2022	OM5-Browlin Ave Main Replacement	245,000		245,000
2022	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2023	OM3 - Downtown 8-inch Distribution Main Replcmnt	200,000		200,000
2023	OM4 - Upgrade Meters to Radio Read System	40,000		40,000
2023	OM6-Corrin Ave South Main Replacement	270,000		270,000
2023	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2024	OM12-Wingate VFD Replacement	80,000		80,000
2024	OM3 - Downtown 8-inch Distribution Main Replcmnt	200,000		200,000
2024	OM4 - Upgrade Meters to Radio Read System	40,000		40,000
2024	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2024	SS3-Wingate Booster Pump Replacement	120,000		120,000
2025	D4-Daffodil Ave 8 inch Main Replacement		509,000	509,000
2025	OM3 - Downtown 8-inch Distribution Main Replcmnt		200,000	200,000
2025	OM4 - Upgrade Meters to Radio Read System	40,000		40,000
2025	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2025	Wingate Main Replacement		4,553,207	4,553,207
2026	OM3 - Downtown 8-inch Distribution Main Replcmnt	200,000		200,000
2026	OM4 - Upgrade Meters to Radio Read System	40,000		40,000
2026	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2027	D1-Whitehawk Blvd Extension	615,000		615,000
2027	OM3 - Downtown 8-inch Distribution Main Replcmnt	200,000		200,000
2027	OM4 - Upgrade Meters to Radio Read System	40,000		40,000
2027	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2028	OM3 - Downtown 8-inch Distribution Main Replcmnt	200,000		200,000
2028	OM4 - Upgrade Meters to Radio Read System	40,000		40,000
2028	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2029	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
2030	OM10-SR162 Main Replacement		3,194,821	3,194,821
2030	OM7-178th Ave Loop	1,059,000		1,059,000
2030	OM9 - SR 162 Service Crossing Replacement	20,000		20,000
	TOTALS	5,769,640	8,457,028	14,226,668

Financial Projections

The financial projections assume the City would strive to maintain a minimum cash balance in the Water Fund equal to three months of anticipated operating expenses and one-year's debt service or 50% of operating expenses, whichever is greater, within the planning period

To determine the appropriate user rates needed for the operation of the Water Fund, we have projected future revenue and expenses and have incorporated the anticipated future capital outlay needs for the time period covered by this study.

The financial projections began with the Water Utility expenses. Expenses were projected based on an analysis of past trends, capital improvements, and the assumptions previously stated. The 2019 budget figures were used as the base for expense projections. Revenues were projected to ensure the recommended income, cash flow, and level of ending cash balances were met each year.

The projections show that annual increase of 6.0% are needed in the current rate structure through 2023, decreasing to 3.0% 2024 through 2030 in order to meet cash reserve levels in all but two years of the planning period. The Water Fund's ending cash balance is projected to increase from approximately \$1.5 million at the end of 2018 to approximately \$2.2 million at the end of 2030.

The financial projection is shown on the following pages.

3. Water Utility

Projected Water Rate Adjustment	Projected Change 2020-2030		6.00%	6.00%	6.00%	6.00%	3.00%
		2019	2020	2021	2022	2023	2024
Revenues							
Total Water Sales	1.00%	1,655,300	1,772,164	1,897,279	2,031,227	2,174,631	2,262,269
Charges - Water Hookups		28,500	9,500	9,500	4,750	4,750	4,750
Penalties on Utilities	0.00%	40,000	42,400	44,944	47,641	50,499	52,014
Water GFC		240,000	73,685	75,158	38,331	39,097	39,879
Fines and Penalties	1.00%	22,000	22,220	22,442	22,667	22,893	23,122
Miscellaneous	1.00%	10,200	10,302	10,405	10,509	10,614	10,720
Investment Interest	1.00%	10,000	10,279	11,004	11,781	12,613	13,121
Transfers In		-	-	-	-	-	-
Bond Proceeds		-	-	-	-	-	-
Other Revenue		-	-	-	-	-	-
Total Revenues		2,006,000	1,940,550	2,070,733	2,166,905	2,315,099	2,405,877
Expenses							
Salaries and Wages	3.00%	467,974	482,013	496,474	511,368	526,709	542,510
Personnel Benefits	5.00%	209,498	219,973	230,972	242,520	254,646	267,378
Supplies	5.00%	50,500	53,025	55,676	58,460	61,383	64,452
Services	3.00%	430,620	443,539	456,845	470,550	484,667	499,207
Intergovernmental	1.00%	70,500	71,205	71,917	72,636	73,363	74,096
CAPEX		253,640	582,000	885,000	505,000	530,000	460,000
Existing Debt Principal		216,333	217,453	218,629	162,956	162,956	162,956
Existing Debt Interest		32,182	27,815	23,391	19,555	17,110	14,666
New Debt Principal		-	-	-	-	-	-
New Debt Interest		-	-	-	-	-	-
Transfers Out		660,000	-	-	25,000	25,750	26,523
Other		139,000	-	-	-	-	-
Total Expenses		2,530,247	2,097,023	2,438,903	2,068,045	2,136,583	2,111,788
Income (Loss)		(524,247)	(156,473)	(368,170)	98,861	178,515	294,089
Beginning Cash & Investments							
		1,552,126	1,027,879	871,406	503,236	602,097	780,612
Ending Cash Balance		1,027,879	871,406	503,236	602,097	780,612	1,074,701
Minimum Cash Balance							
For ongoing operations		307,273	317,439	327,971	338,884	350,192	361,911
For debt service		245,268	242,020	182,510	180,066	177,622	175,177
Additional to meet City Policy of 50% of Op Expenses		62,005	75,418	145,460	158,817	172,570	186,733
Minimum Cash Balance Required		614,546	634,877	655,942	677,767	700,384	723,822
Amount Over (Under) Minimum		413,333	236,529	(152,706)	(75,671)	80,228	350,879
Days Cash							
		185	250	140	159	200	266

3. Water Utility

Projected Water Rate Adjustment	Projected Change	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	2020-2030	2025	2026	2027	2028	2029	2030
Revenues							
Total Water Sales	1.00%	2,353,439	2,448,282	2,546,948	2,649,590	2,756,368	2,867,450
Charges - Water Hookups		4,750	4,750	4,750	4,750	4,750	4,750
Penalties on Utilities	0.00%	53,574	55,182	56,837	58,542	60,299	62,107
Water GFC		40,677	41,491	42,320	43,167	44,030	44,911
Fines and Penalties	1.00%	23,353	23,587	23,823	24,061	24,302	24,545
Miscellaneous	1.00%	10,828	10,936	11,045	11,156	11,267	11,380
Investment Interest	1.00%	13,650	14,200	14,773	15,368	15,987	16,632
Transfers In							
Bond Proceeds		5,262,207	-	-	-	-	3,194,821
Other Revenue							
Total Revenues		7,762,478	2,598,428	2,700,496	2,806,634	2,917,003	6,226,595
Expenses							
Salaries and Wages	3.00%	558,785	575,549	592,815	610,600	628,918	647,785
Personnel Benefits	5.00%	280,747	294,785	309,524	325,000	341,250	358,313
Supplies	5.00%	67,675	71,059	74,611	78,342	82,259	86,372
Services	3.00%	514,183	529,608	545,497	561,861	578,717	596,079
Intergovernmental	1.00%	74,837	75,586	76,341	77,105	77,876	78,655
CAPEX		5,322,207	260,000	875,000	260,000	20,000	4,273,821
Existing Debt Principal		162,956	162,956	162,956	162,956	162,956	-
Existing Debt Interest		12,222	9,777	7,333	4,889	2,444	-
New Debt Principal		-	167,739	175,287	183,175	191,418	200,032
New Debt Interest		-	236,799	229,251	221,363	213,120	204,506
Transfers Out		27,318	28,138	28,982	29,851	30,747	31,669
Other							
Total Expenses		7,020,930	2,411,995	3,077,598	2,515,142	2,329,706	6,477,232
Income (Loss)		741,548	186,432	(377,102)	291,491	587,298	(250,637)
Beginning Cash & Investments							
		1,074,701	1,816,249	2,002,681	1,625,579	1,917,071	2,504,368
Ending Cash Balance		1,816,249	2,002,681	1,625,579	1,917,071	2,504,368	2,253,731
Minimum Cash Balance							
For ongoing operations		374,057	386,647	399,697	413,227	427,255	441,801
For debt service		577,271	574,827	572,383	569,938	404,538	404,538
Additional to meet City Policy of 50% of Op Expenses		-	-	-	-	22,717	37,263
Minimum Cash Balance Required		951,328	961,474	972,080	983,165	854,510	883,602
Amount Over (Under) Minimum		864,920	1,041,207	653,499	933,905	1,649,858	1,370,130
Days Cash							
		435	464	365	416	525	457

4. Sewer Utility

Capital Outlay

To determine the appropriate future fees and rates needed for the operation of the Sewer Utility over the planning period, we have incorporated the anticipated future capital outlay needs provided by the City.

The estimated capital improvements used in the financial projections include those projected in the City's C.I.P. and the annual renewal and replacement cost determined above. Capital outlay is projected to be \$18,059,877 over the planning period. Approximately \$2.2 million of the capital items are projected to be paid from cash in the Sewer Fund, with \$15.8 million projected to be financed with debt with a term of 20 years at rates ranging between 3.75% and 5.0%. These capital costs and their projected source of funding are shown in the table below.

Year	Project	Sewer Utility	Sewer Bonds	Totals
2019	Class A Solids Handling Improvements	200,000		200,000
2019	Hillside Mower	8,640		8,640
2019	I/I Upgrades	250,000		250,000
2020	Class A Solids Handling Improvements		5,943,588	5,943,588
2020	I/I Upgrades	200,000		200,000
2020	Puyallup River Lift Station Replacement		900,000	900,000
2020	Rainier Meadows Lift Station Replacement		600,000	600,000
2021	Class A Solids Handling Improvements		3,762,392	3,762,392
2021	I/I Upgrades	200,000		200,000
2022	I/I Upgrades	200,000		200,000
2023	I/I Upgrades	200,000		200,000
2023	Water Reclamation Facilities		1,973,211	1,973,211
2024	I/I Upgrades	200,000		200,000
2025	I/I Upgrades	200,000		200,000
2026	I/I Upgrades	200,000		200,000
2027	I/I Upgrades	200,000		200,000
2027	I/I Upgrades	200,000		200,000
2026	Reclaimed Water Upgrade		393,307	393,307
2027	Reclaimed Water Upgrade		2,228,739	2,228,739
TOTALS		2,258,640	15,801,237	18,059,877

Financial Projections

The financial projections for the Sewer Fund assume the City would strive to maintain a minimum cash balance in the Sewer Fund equal to three months of anticipated operating expenses and one-year's debt service or 50% of operating expenses, whichever is greater, within the planning period

To determine the appropriate user rates needed for the operation of the Sewer Fund, we have projected future revenue and expenses and have incorporated the anticipated future capital outlay needs from the C.I.P. The financial projections began with the

Sewer Utility expenses. Expenses were projected based on an analysis of past trends, capital improvements, and the assumptions previously stated. The 2019 budget figures were used as the base for expense projections. Revenues were projected to ensure the recommended income, cash flow, and level of ending cash balances were met each year.

The projection shows that annual increases of 7.0% are needed in the current rate structure to maintain cash levels and meet recommended reserves. Ending cash is projected to decrease from approximately \$7.5 million at the end of 2018 to approximately \$4.4 million at the end of 2030.

The financial projection is shown below and on the following page.

DRAFT

4. Sewer Utility

Projected Sewer Rate Adjustment	Projected Change		7.00%	7.00%	7.00%	7.00%	7.00%
	2020-2030	2019	2020	2021	2022	2023	2024
Revenues							
Total Sewer Sales	1.00%	1,904,800	2,058,517	2,224,640	2,404,168	2,598,185	2,807,858
Total Sewer Sales - High Cedars	1.00%	155,000	167,509	181,026	195,635	211,423	228,485
Charges - Sewer Hookups		28,500	9,200	9,200	4,600	4,600	4,600
Sewer GFC		480,000	158,406	161,574	82,403	84,051	85,732
Nonrevenues	-100.00%	136,000	-	-	-	-	-
Miscellaneous	1.00%	732	739	747	754	762	769
Investment Interest	1.00%	55,000	60,927	60,979	56,780	50,126	44,738
Transfers In		-	-	-	-	-	-
Bond Proceeds		-	7,443,588	3,762,392	-	1,973,211	-
Other Revenue		-	-	-	-	-	-
Total Revenues		2,760,032	9,898,886	6,400,558	2,744,341	4,922,357	3,172,182
Expenses							
Salaries and Wages	3.00%	468,620	482,679	497,159	512,074	527,436	543,259
Personnel Benefits	5.00%	197,980	207,879	218,273	229,187	240,646	252,678
Supplies	5.00%	66,900	70,245	73,757	77,445	81,317	85,383
Services	3.00%	1,334,376	1,374,407	1,415,639	1,458,109	1,501,852	1,546,908
Intergovernmental	3.00%	87,400	90,022	92,723	95,504	98,369	101,321
CAPEX		458,640	7,643,588	3,962,392	200,000	2,173,211	200,000
Existing Debt Principal		21,962	23,060	24,213	-	-	-
Existing Debt Interest		2,913	1,787	605	-	-	-
New Debt Principal		-	-	256,522	392,489	407,523	487,697
New Debt Interest		-	-	279,135	420,011	404,976	473,227
Transfers Out		1,600,000	-	-	25,000	25,750	26,523
Other		-	-	-	-	-	-
Total Expenses		4,238,790	9,893,667	6,820,418	3,409,818	5,461,081	3,716,995
Income (Loss)		(1,478,758)	5,219	(419,860)	(665,477)	(538,724)	(544,813)
Beginning Cash & Investments		7,571,441	6,092,683	6,097,902	5,678,042	5,012,565	4,473,841
Ending Cash Balance		6,092,683	6,097,902	5,678,042	5,012,565	4,473,841	3,929,028
Minimum Cash Balance							
For ongoing operations		538,819	556,308	574,388	593,080	612,405	632,387
For debt service		24,847	560,474	812,500	812,500	960,924	960,924
Additional to meet City Policy of 50% of Op Expenses		513,972	-	-	-	-	-
Minimum Cash Balance Required		1,077,638	1,116,782	1,386,887	1,405,579	1,573,329	1,593,311
Amount Over (Under) Minimum		5,015,045	4,981,120	4,291,155	3,606,986	2,900,511	2,335,717
		2019	2020	2021	2022	2023	2024
Days Cash		592	1,000	902	763	660	561

4. Sewer Utility

Projected Sewer Rate Adjustment	Projected Change	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
	2020-2030	2025	2026	2027	2028	2029	2030
Revenues							
Total Sewer Sales	1.00%	3,034,452	3,279,332	3,543,975	3,829,973	4,139,052	4,473,074
Total Sewer Sales - High Cedars	1.00%	246,924	266,850	288,385	311,658	336,809	363,989
Charges - Sewer Hookups		4,600	4,600	4,600	4,600	4,600	4,600
Sewer GFC		87,447	89,195	90,979	92,799	94,655	96,548
Nonrevenues	-100.00%	-	-	-	-	-	-
Miscellaneous	1.00%	777	785	793	801	809	817
Investment Interest	1.00%	39,290	35,421	33,315	30,874	32,808	37,168
Transfers In							
Bond Proceeds		-	393,307	2,228,739	-	-	-
Other Revenue							
Total Revenues		3,413,490	4,069,491	6,190,786	4,270,705	4,608,732	4,976,195
Expenses							
Salaries and Wages	3.00%	559,557	576,343	593,634	611,443	629,786	648,680
Personnel Benefits	5.00%	265,312	278,578	292,507	307,132	322,489	338,613
Supplies	5.00%	89,652	94,135	98,842	103,784	108,973	114,422
Services	3.00%	1,593,315	1,641,114	1,690,348	1,741,058	1,793,290	1,847,088
Intergovernmental	3.00%	104,360	107,491	110,716	114,037	117,458	120,982
CAPEX		200,000	593,307	2,628,739	-	-	-
Existing Debt Principal		-	-	-	-	-	-
Existing Debt Interest		-	-	-	-	-	-
New Debt Principal		506,650	526,341	559,336	648,558	674,601	701,699
New Debt Interest		454,274	434,583	431,824	521,441	495,399	468,301
Transfers Out		27,318	28,138	28,982	29,851	30,747	31,669
Other							
Total Expenses		3,800,439	4,280,030	6,434,926	4,077,305	4,172,743	4,271,454
Income (Loss)		(386,949)	(210,540)	(244,140)	193,400	435,990	704,741
Beginning Cash & Investments		3,929,028	3,542,079	3,331,539	3,087,399	3,280,799	3,716,788
Ending Cash Balance		3,542,079	3,331,539	3,087,399	3,280,799	3,716,788	4,421,530
Minimum Cash Balance							
For ongoing operations		653,049	674,415	696,511	719,363	742,999	767,446
For debt service		960,924	991,160	1,170,000	1,170,000	1,170,000	1,170,000
Additional to meet City Policy of 50% of Op Expenses		-	-	-	-	-	-
Minimum Cash Balance Required		1,613,973	1,665,575	1,866,511	1,889,363	1,912,999	1,937,446
Amount Over (Under) Minimum		1,928,106	1,665,964	1,220,888	1,391,435	1,803,790	2,484,084
		2025	2026	2027	2028	2029	2030
Days Cash		490	446	400	412	452	520

5. Stormwater Utility

Capital Outlay

To determine the appropriate future fees and rates needed for the operation of the Stormwater Utility over the planning period, we have incorporated the anticipated future capital outlay needs provided by the City.

The estimated capital improvements used in the financial projections include those projected in the City's C.I.P. Capital outlay is projected to be \$7,071,440 over the planning period. These capital costs and their projected source of funding are shown in the table below.

Year	Project	Stormwater Utility	Stormwater Bonds	Totals
2019	Hillside Mower	37,440		37,440
2019	Kansas Outfall Replacement Construction	300,000		300,000
2019	Kansas Outfall Replacement Construction Mgmt	35,000		35,000
2019	Levee Outfall Construction	194,000		194,000
2019	Levee Outfall Construction Construction match	29,000		29,000
2019	Outfall Construction Management	20,000		20,000
2019	Village Green PS Panel Upgrade Upgrade	40,000		40,000
2020	Callistoga St W Stormwater Construction	520,000		520,000
2020	Project: CIP No. 12 - Puyallup River Outfall Improvements	435,000		435,000
2022	Whitehawk Extension		1,461,000	1,461,000
2023	Misc Stormwater Improvements	500,000		500,000
2024	Misc Stormwater Improvements	500,000		500,000
2025	Misc Stormwater Improvements	500,000		500,000
2026	Misc Stormwater Improvements	500,000		500,000
2027	Misc Stormwater Improvements	500,000		500,000
2028	Misc Stormwater Improvements	500,000		500,000
2029	Misc Stormwater Improvements	500,000		500,000
2030	Misc Stormwater Improvements	500,000		500,000
	TOTALS	5,610,440	1,461,000	7,071,440

Financial Projections

As with the Water and Sewer Funds, financial projections for the Stormwater Fund assume the City would strive to maintain a minimum cash balance equal to three months of anticipated operating expenses and one-year's debt service within the planning period or 50% of operating expenses, whichever is greater.

To determine the appropriate user rates needed for the operation of the Stormwater Fund, we have projected future revenue and expenses and have incorporated the anticipated future capital outlay needs from the C.I.P. The financial projections began with the Stormwater Utility expenses. Expenses were projected based on an analysis of past trends, capital improvements, and the assumptions previously stated. The 2019 budget figures were used as the base for expense projections. Revenues were projected to ensure the recommended income, cash flow, and level of ending cash balances were met each year.

The projection shows that annual increases of 5.0% are needed in the current rate structure. Ending cash is projected to decrease from approximately \$2.4 million at the end of 2018 to approximately \$1.1 million at the end of 2030.

The financial projection is shown on the following pages.

5. Stormwater Utility

Projected Stormwater Rate Adjustment	Projected Change		5.00%	5.00%	5.00%	5.00%	5.00%
	2020-2030	2019	2020	2021	2022	2023	2024
Revenues							
Intergovernmental	1.00%	325,000	328,250	331,533	334,848	338,196	341,578
Fees-Storm Drainage	1.00%	830,000	880,215	933,468	989,943	1,049,834	1,113,349
Storm GFC		57,750	17,666	18,020	9,190	9,374	9,561
GFC Surcharge	0.00%	578	578	578	578	578	578
Miscellaneous	2.00%	500	510	520	531	541	552
Investment Interest	1.00%	10,000	14,175	8,027	11,641	15,476	13,587
Transfers In	1.00%	-					
Bond Proceeds		-	-	-	1,461,000	-	-
Other Revenue		-					
Total Revenues		1,223,828	1,241,394	1,292,145	2,807,730	1,413,999	1,479,205
Expenses							
Salaries and Wages	3.00%	298,115	307,058	316,270	325,758	335,531	345,597
Personnel Benefits	5.00%	135,260	142,023	149,124	156,580	164,409	172,630
Supplies	5.00%	12,600	13,230	13,892	14,586	15,315	16,081
Services	3.00%	406,685	418,886	431,452	444,396	457,728	471,459
Intergovernmental	1.00%	6,700	6,767	6,835	6,903	6,972	7,042
CAPEX		655,440	955,000	-	1,461,000	500,000	500,000
Existing Debt Principal		11,683	12,267	12,880	-	-	-
Existing Debt Interest		1,549	951	322	-	-	-
New Debt Principal		-	-	-	-	49,063	51,025
New Debt Interest		-	-	-	-	58,440	56,477
Transfers Out		660,000			15,000	15,450	15,914
Other		-					
Total Expenses		2,188,032	1,856,181	930,775	2,424,223	1,602,908	1,636,226
Income (Loss)		(964,204)	(614,788)	361,370	383,506	(188,909)	(157,020)
Beginning Cash & Investments		2,381,694	1,417,489	802,702	1,164,072	1,547,578	1,358,669
Ending Cash Balance		1,417,489	802,702	1,164,072	1,547,578	1,358,669	1,201,648
Minimum Cash Balance							
For ongoing operations		214,840	221,991	229,393	237,056	244,989	253,202
For debt service		13,217	13,202	-	107,503	107,503	107,503
Additional to meet City Policy of 50% of Op Expenses		201,623	208,789	229,393	129,553	137,486	145,699
Minimum Cash Balance Required		429,680	443,982	458,786	474,112	489,978	506,405
Amount Over (Under) Minimum		987,809	358,720	705,286	1,073,466	868,691	695,244
		2019	2020	2021	2022	2023	2024
Days Cash		341	330	463	586	498	426

5. Stormwater Utility

Projected Stormwater Rate Adjustment	Projected Change 2020-2030	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
		2025	2026	2027	2028	2029	2030
Revenues							
Intergovernmental	1.00%	344,994	348,444	351,928	355,448	359,002	362,592
Fees-Storm Drainage	1.00%	1,180,707	1,252,140	1,327,894	1,408,232	1,493,430	1,583,782
Storm GFC		9,753	9,948	10,147	10,350	10,556	10,768
GFC Surcharge	0.00%	578	578	578	578	578	578
Miscellaneous	2.00%	563	574	586	598	609	622
Investment Interest	1.00%	12,016	10,795	9,956	9,532	9,563	10,086
Transfers In	1.00%						
Bond Proceeds		-	-	-	-	-	-
Other Revenue							
Total Revenues		1,548,611	1,622,479	1,701,088	1,784,737	1,873,738	1,968,427
							362,592
Expenses							
Salaries and Wages	3.00%	355,965	366,644	377,643	388,972	400,642	412,661
Personnel Benefits	5.00%	181,261	190,324	199,841	209,833	220,324	231,341
Supplies	5.00%	16,885	17,729	18,616	19,547	20,524	21,550
Services	3.00%	485,603	500,171	515,176	530,632	546,551	562,947
Intergovernmental	1.00%	7,112	7,183	7,255	7,328	7,401	7,475
CAPEX		500,000	500,000	500,000	500,000	500,000	500,000
Existing Debt Principal		-	-	-	-	-	-
Existing Debt Interest		-	-	-	-	-	-
New Debt Principal		53,066	55,189	57,397	59,693	62,080	64,563
New Debt Interest		54,436	52,314	50,106	47,810	45,423	42,939
Transfers Out		16,391	16,883	17,389	17,911	18,448	19,002
Other							
Total Expenses		1,670,721	1,706,438	1,743,423	1,781,725	1,821,393	1,862,478
Income (Loss)		(122,110)	(83,959)	(42,335)	3,012	52,345	105,949
Beginning Cash & Investments		1,201,648	1,079,538	995,579	953,244	956,256	1,008,601
Ending Cash Balance		1,079,538	995,579	953,244	956,256	1,008,601	1,114,550
Minimum Cash Balance							
For ongoing operations		261,707	270,513	279,633	289,078	298,860	308,993
For debt service		107,503	107,503	107,503	107,503	107,503	107,503
Additional to meet City Policy of 50% of Op Expenses		154,204	163,010	172,130	181,575	191,357	201,491
Minimum Cash Balance Required		523,413	541,026	559,266	578,156	597,721	617,987
Amount Over (Under) Minimum		556,125	454,553	393,978	378,100	410,880	496,563
Days Cash		371	331	306	297	303	324

6. Sample Bills

Sample bills, based on the current and proposed rates, were prepared for the following users:

- Low Single Family Residential User – uses 480 cubic feet of water/month
- Large Single Family Residential User – uses 1,400 cubic feet of water/month
- Average Single Family Residential User – uses 649 cubic feet of water/month
- Low Commercial User – uses 205 cubic feet of water/month
- High Commercial User – uses 2,655 cubic feet of water/month

An average residential user with 649 cubic feet of water consumption/month currently pays \$109.46 monthly for water, sewer and stormwater. Water Utility costs are projected to increase \$2.36/month and Sewer Utility costs are projected to increase \$3.46/month in 2020. Stormwater costs are projected to increase \$1.03 in 2020. The combined costs of all utilities are projected to increase to \$116.32/month an increase of \$6.86 in 2020. The sample monthly cost of water, sewer and stormwater utilities based on the financial projections are shown in the tables below.

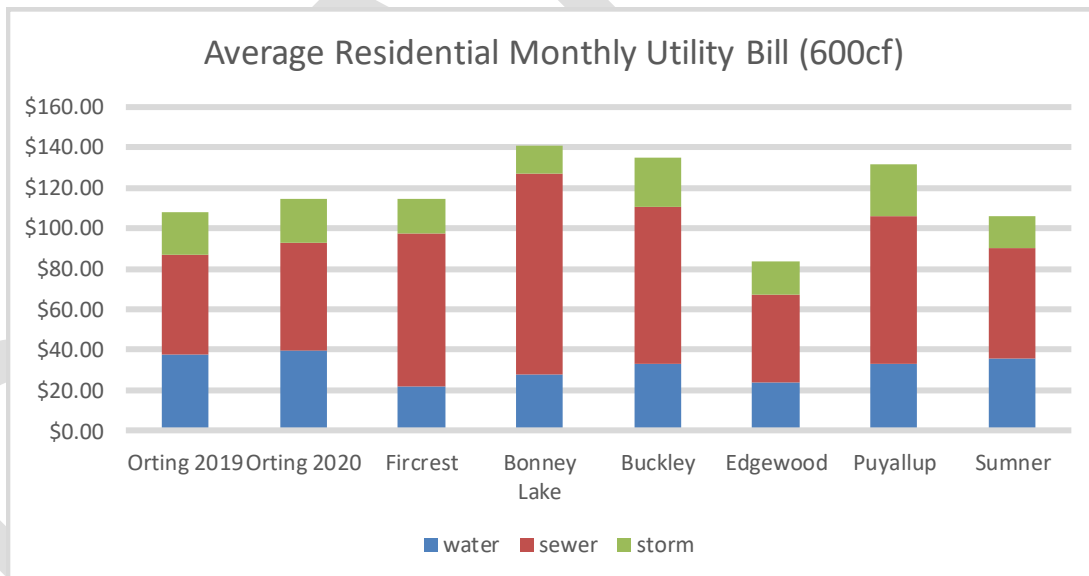
<u>SAMPLE BILLS</u>			
<i>Low Residential</i>	<i>Use:</i>	<i>480</i>	<i>cf</i>
	2019	2020	
water	\$34.45	\$36.52	
sewer	\$49.49	\$52.95	
storm	<u>\$20.60</u>	<u>\$21.63</u>	
	\$104.54	\$111.10	\$6.56
<i>High Residential</i>	<i>Use:</i>	<i>1400</i>	<i>cf</i>
	2019	2020	
water	\$66.03	\$69.99	
sewer	\$49.49	\$52.95	
storm	<u>\$20.60</u>	<u>\$21.63</u>	
	\$136.12	\$144.58	\$8.46
<i>Average Residential</i>	<i>Use:</i>	<i>649</i>	<i>cf</i>
	2019	2020	
water	\$39.37	\$41.73	
sewer	\$49.49	\$52.95	
storm	<u>\$20.60</u>	<u>\$21.63</u>	
	\$109.46	\$116.32	\$6.86

<i>Low Commercial</i>	<i>Use:</i>	<i>205</i>	<i>cf</i>
	2019	2020	
water	\$28.24	\$29.94	
sewer	\$59.95	\$64.14	
storm	<u>\$20.60</u>	<u>\$21.63</u>	
	\$108.79	\$115.71	\$6.92
<i>High Commercial</i>	<i>Use:</i>	<i>2655</i>	<i>cf</i>
water	\$137.51	\$145.76	
sewer	\$289.50	\$309.77	
storm	<u>\$82.40</u>	<u>\$86.52</u>	
	\$509.42	\$542.05	\$32.64

7. Comparison to Neighboring Communities

Although each City's utility system is unique, we understand the need to try to keep rates competitive. The charts below show the 2019 monthly water, sewer and stormwater bills for an average residential customer for six neighboring communities and the 2019 and proposed 2020 water bill for Orting. Orting's current and projected monthly utility bills are less than four of the neighboring communities with three having higher bills.

The City has the highest water rates in the group, but the second lowest sewer rates, which could be indicative of the higher annual rate increase recommendations. Higher sewer rate increases are needed in Orting due to large system improvements included in the projections. Stormwater rates show two cities having higher rates and four having lower rates. The combined monthly bills are shown in the table below.



8. Conclusions and Recommendations

This study was undertaken to review and analyze Orting's Water, Sewer and Stormwater Utility Funds to determine the appropriate rate structure and rate levels needed to pay for anticipated operating expenses, to provide for anticipated capital improvements, and to ensure adequate levels of cash reserves.

The following conclusions were determined as a result of this study and the financial projections prepared:

- We recommend the City increase water rates by 6.0% annually through 2023 and 3.0% through 2030. These increases are needed to pay for anticipated operating expenses, debt service and capital outlay including the targeted amount to maintain adequate cash reserves.
- We recommend sewer rates should be increased annually by 7.0% for 2020 through 2030. These increases are needed to pay for anticipated operating expenses, capital outlay and debt service.
- We recommend the City increase Stormwater rates by 5.0% annually through 2030. These increases are needed to pay for anticipated operating expenses, debt service and capital outlay including the targeted amount to maintain adequate cash reserves.
- The City should establish the user rates for all the Utility Funds for a three to five-year period. The rates should be reviewed on an annual basis concurrent with the development of the following year's budget.

These recommendations are based on information provided to us by city staff. The City will need to monitor the performance of the Water, Sewer and Stormwater Funds and make any necessary adjustments based upon its actual performance and on the actual construction costs of the anticipated capital improvements.



**City of Orting
Council Agenda Summary Sheet**

	Agenda Bill #	Recommending Committee	Study Session Dates	Regular Meeting Dates
Subject: TBD Ordinance.	AB24-11	Public Works		
		1.3.2024	1.17.2024	2.28.2024
	Department:	Administration		
	Date Submitted:	12.22.2023		
Cost of Item:	TBD			
Amount Budgeted:	TBD			
Unexpended Balance:	N/A			
Bars #:	Fund 108			
Timeline:	None			
Submitted By:	Scott Larson			
Fiscal Note: Adoption of this ordinance would impose a \$20 annual fee on vehicles registered in the City of Orting. Total collections are estimated to be \$140,000 per year.				
Attachments: Policy Memorandum, Ordinance No. 2024-1123				
SUMMARY STATEMENT:				
<p>Attached is a policy memorandum outlining the background on the City’s Transportation Benefit District, financial information, recommended goals of an updated program as well as a potential schedule on how the funds could be spent over a 10-year period to address the recommendations of our recent street condition assessment.</p> <p>The Ordinance attached would add aa \$20 fee to car tabs for street maintenance, adopt goals and policies for how these funds should be used, direct implementation of the ordinance, and provides for a sunset of the fee on January 1, 2030 unless council decides to extend the program.</p>				
RECOMMENDED MOTION: <u>Motion:</u>				
<p>To Adopt Ordinance No. 2024-1123, an ordinance of the City of Orting, Washington, relating to annual vehicle license fee; setting the annual vehicle fee at \$20 (twenty dollars); providing for severability, setting program goals, establishing a mechanism to spend funds; and establishing an effective date.</p>				



Memo

To: CM Williams & CM Moore

From: Scott Larson, City Administrator

cc: Marshall Maurer, John Bielka

Date: December 6, 2023

Re: TBD Policy

Background

1. In 2011 the council adopted Ordinance No. 920, establishing a Transportation Benefit District (TBD) for the purpose of a stable funding source to maintain existing motorized transportation facilities, as existing resources were found to be inadequate for this purpose, by assessing a \$20 per vehicle tax paid at the time of vehicle license renewal.
2. In 2015 the council adopted Ordinance No. 2015-972 which dissolved the District and absorbed it under the "City" government continuing with established plan and goals of street preservation and maintenance.
3. In 2016 council adopted Resolution No. 2016-29 modifying permissible uses of TBD funding to include non-motorized transportation facilities.
4. For the last 10 years, the TBD has been the primary revenue source for chip seal/grind & overlay maintenance of our streets. Revenue in the streets fund covers custodial maintenance (potholes, sweeping), staff costs associated with the same as well as street lights.
5. In 2020 Council adopted Ordinance No. 2020-1058 which reduced the TBD fee to \$0.00 following passage of I-976.
6. In October of 2020 the Washington State Supreme Court found I-976 unconstitutional, allowing cities to continue assessing transportation benefit district fees.
7. In 2022, the council adopted a goal of completing a street assessment and coming up with a plan to pay for said maintenance.
8. In 2022, the council commissioned an ADA transition plan which assessed city facilities (both vertical and infrastructure) based on current accessibility standards, and the plan made a number of recommendations for improvements.

Financials:

The TBD historically collected \$20 per registered vehicle per year since 2012 and has spent an average of \$85,000 per year between 2013 and 2019. Here is a table showing summarizing revenues and expenses.

	Revenue	Expense	Population
2013	88,874.54	71,775.13	7,058
2014	118,384.96	93,976.79	7,235
2015	127,941.69	65,680.09	7,501
2016	132,580.80	165,995.76	7,785
2017	135,991.35	103,738.40	8,126
2018	138,512.55	19,219.75	8,415
2019	140,898.45	79,040.88	8,735
2020	42,995.70	3,783.49	9,041
2021	178.20	42,152.79	9,010
2022	43.04	36,468.75	9,055
2023	-	14,375.50	9,110

Goals

The goals of the Transportation Benefit District are as follows:

1. Preserve our existing street transportation network in a way that minimizes complete street replacement due to deterioration.
2. Provide matching funds for street preservation grants.
3. Maintain an inventory of street conditions so that we are timing our maintenance investments to get the maximum life out of existing streets.
4. For streets that have deteriorated past the point of preservation, the TBD should provide matching funds for street replacement grants.
5. When required to implement street preservation, provide necessary modifications to adjacent pedestrian infrastructure.
6. Manage project timing in a manner to maintain the \$20 per vehicle charge as adequate to cover the program needs.

Project Proposals

Based on the Street Assessment report and the ADA transition plan, here is a set of assumptions as well as annual costs and fund balances. Here are the assumptions:

1. Staff will pursue grants to cover the following:
 - a. Overlay – 50% grant funded
 - b. Chip seal 25% grant funded
 - c. Reconstruction – 80% grant funded
 - d. Curb ramps – 80% grant funded

2. Construction costs are based on a 2022 estimate.
 - a. Actual costs have been increased to account for permitting, design, right-of-way cost. For Chip seal, overlay and curb ramps this is estimated at 25% of construction; for reconstruction this cost is estimated at 50% of construction.
 - b. All total costs have been inflated 3% per annum based on the assumed year of construction.

Here is an annual estimate of the program costs. Please note that revenue has not been inflated and is assumed to remain at \$140,000 per year:

Year	Cost	Balance
2024	119,780.00	220,220.00
2025	152,940.63	207,279.38
2026	224,700.00	122,579.38
2027	176,841.25	85,738.13
2028	163,725.00	62,013.13
2029	147,090.63	54,922.50
2030	166,780.00	28,142.50
2031	111,760.00	56,382.50
2032	134,875.00	61,507.50
2033	124,687.50	76,820.00
2034	128,350.00	88,470.00

The following page contains a list of the projects, organized by year to accomplish all the identified street maintenance as well as a portion of the curb ramps and sidewalks over the next 10 years.

<u>Project</u>	<u>Cost (2022)</u>	<u>Cost ±</u>	<u>City Share</u>	<u>Grant</u>	<u>City Cost + Inf</u>	<u>Ft. of Lanes</u>	<u>Year</u>	<u>Type</u>
Boatman Avenue/Cloud Street/Nunnally Avenue Crack Seal (Lane Boulevard to Colorossi Cir.)	\$9,000	\$9,000	\$9,000		\$9,540	3,871	2024	crack seal
Icey Street Crack Seal (East of Grinnell Avenue)	\$4,000	\$4,000	\$4,000		\$4,240	1,729	2024	crack seal
Grinnell Avenue Crack Seal (South of Balmer Street)	\$4,000	\$4,000	\$4,000		\$4,240	1,642	2024	crack seal
Williams Boulevard/Avenue/Court Crack Seal (West of Headley Avenue)	\$8,000	\$8,000	\$8,000		\$8,480	3,356	2024	crack seal
Williams Street Crack Seal (Ozie Street to Williams Avenue)	\$7,000	\$7,000	\$7,000		\$7,420	2,845	2024	crack seal
Mellinger Avenue Crack Seal (Williams Street to Williams Boulevard)	\$4,000	\$4,000	\$4,000		\$4,240	1,685	2024	crack seal
Nunnally Avenue Crack Seal (Cloud Street to Williams Boulevard)	\$5,000	\$5,000	\$5,000		\$5,300	1,960	2024	crack seal
Lane Boulevard Crack Seal (Nunnally Avenue to Washington Avenue)	\$5,000	\$5,000	\$5,000		\$5,300	2,086	2024	crack seal
Thompson Avenue Crack Seal (Callendar Street to Groff Avenue)	\$4,000	\$4,000	\$4,000		\$4,240	1,688	2024	crack seal
Calistoga Street Crack Seal (Ammons Lane to River Avenue)	\$5,000	\$5,000	\$5,000		\$5,300	1,831	2024	crack seal
Callendar Street Crack Seal (Thompson Avenue to Groff Avenue)	\$4,000	\$4,000	\$4,000		\$4,240	1,676	2024	crack seal
Train Street Reconstruction (Eldredge Avenue to Ammons Lane)**	\$7,000	\$7,000	\$7,000		\$7,420	2,917	2024	crack seal
Skinner Way Reconstruction (Calistoga Street to Belfair Avenue)**	\$5,000	\$5,000	\$5,000		\$5,300	1,915	2024	crack seal
Bowlin Avenue Reconstruction (Parker Lane to Leber Street)**	\$5,000	\$5,000	\$5,000		\$5,300	1,828	2024	crack seal
Old Pioneer Way Reconstruction (North of Chief Emmons Lane)**	\$7,000	\$7,000	\$7,000		\$7,420	2,842	2024	crack seal
Corrin Avenue Overlay (South of Harman Way)**	\$5,000	\$5,000	\$5,000		\$5,300	2,060	2024	crack seal
Brown Street and Brown Way Overlay**	\$7,000	\$7,000	\$7,000		\$7,420	2,983	2024	crack seal
Washington Avenue Overlay (South of Bridge Street)**	\$8,000	\$8,000	\$8,000		\$8,480	3,330	2024	crack seal
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$10,600		2024	Pedestrian
Olive Street Chip Seal	\$10,000	\$12,500	\$9,375	\$3,125	\$10,219	749	2025	chip seal
Whitehawk Boulevard Chip Seal (Washington Avenue to Orting Avenue)	\$74,000	\$92,500	\$69,375	\$23,125	\$75,619	5,617	2025	chip seal
Calistoga Street Chip Seal (Kansas Street to Corrin Avenue)	\$55,000	\$68,750	\$51,563	\$17,188	\$56,203	4,222	2025	chip seal
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$10,900		2025	Pedestrian
Eldredge Avenue Overlay (Whitesell Street to Calistoga Street)	\$90,000	\$112,500	\$56,250	\$56,250	\$63,000	1,99	2026	overlay
Tacoma Avenue Chip Seal	\$24,000	\$30,000	\$22,500	\$7,500	\$25,200	1,770	2026	chip seal
Corrin Avenue Overlay (Whitesell Street to Bridge Street)	\$179,000	\$223,750	\$111,875	\$111,875	\$125,300	3,986	2026	overlay
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$11,200		2026	Pedestrian
Skinner Way Reconstruction (Calistoga Street to Belfair Avenue)**	\$273,000	\$409,500	\$81,900	\$327,600	\$94,185	1,915	2027	Reconstruction
Anderson Street Overlay (Williams Street to Boatman Avenue)	\$99,000	\$123,750	\$61,875	\$61,875	\$71,156	2,203	2027	overlay
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$11,500		2027	Pedestrian
Deeded Lane (Calistoga Street to Eldredge Avenue)	\$145,000	\$181,250	\$90,625	\$90,625	\$106,938	3,216	2028	overlay
Orting Avenue (Callendar Street to Whitehawk Boulevard)	\$61,000	\$76,250	\$38,125	\$38,125	\$44,988	1,358	2028	overlay
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$11,800		2028	Pedestrian
Corrin Avenue Overlay (South of Harman Way)**	\$93,000	\$116,250	\$58,125	\$58,125	\$70,331	2,060	2029	overlay
Stone Street Chip Seal (Headley Avenue to Mellinger Avenue)	\$13,000	\$16,250	\$12,188	\$4,063	\$14,747	982	2029	chip seal
Eldredge Avenue Chip Seal (Calistoga Street to Kansas Street)	\$44,000	\$55,000	\$41,250	\$13,750	\$49,913	3,313	2029	chip seal
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$12,100		2029	Pedestrian
Train Street Reconstruction (Eldredge Avenue to Ammons Lane)**	\$415,000	\$622,500	\$124,500	\$498,000	\$154,380	2,917	2030	Reconstruction
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$12,400		2030	Pedestrian
Bowlin Avenue Reconstruction (Parker Lane to Leber Street)**	\$260,000	\$390,000	\$78,000	\$312,000	\$99,060	1,828	2031	Reconstruction
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$12,700		2031	Pedestrian
Washington Avenue (South of Bridge Street)**	\$150,000	\$187,500	\$93,750	\$93,750	\$121,875	3,330	2032	overlay
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$13,000		2032	Pedestrian
Brown Street and Brown Way**	\$134,000	\$167,500	\$83,750	\$83,750	\$111,388	2,983	2033	overlay
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$13,300		2033	Pedestrian
Ammons Lane (Leber Street to River Avenue)	\$135,000	\$168,750	\$84,375	\$84,375	\$114,750	2,994	2034	overlay
Curb Ramps	\$40,000	\$50,000	\$10,000	\$40,000	\$13,600		2034	Pedestrian
Old Pioneer Way Reconstruction (North of Chief Emmons Lane)**	\$404,000	\$606,000	\$121,200	\$484,800	\$168,468	2,842	2035	Reconstruction

CITY OF ORTING
WASHINGTON
ORDINANCE NO. 2024-1123

AN ORDINANCE OF THE CITY OF ORTING, WASHINGTON, RELATING TO ANNUAL VEHICLE LICENSE FEE; SETTING THE ANNUAL VEHICLE FEE AT \$20 (TWENTY DOLLARS); PROVIDING FOR SEVERABILITY, SETTING PROGRAM GOALS, ESTABLISHING A MECHANISM TO SPEND FUNDS; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Orting Transportation Benefit District was established, pursuant to RCW 35.21.225 and Chapter 36.73 RCW by the City Council of Orting by Ordinance No. 976 in November 2011; and

WHEREAS, consistent with RCW 36.73.065, the District established an annual vehicle license fee in the amount of twenty dollars (\$20), to be collected by the Washington Department of Licensing on qualifying vehicles, set forth in RCW 82.80.140 and Chapters 36.73 and 46.16 RCW; and

WHEREAS, by Ordinance No. 2015-972, the City of Orting assumed the rights, powers, immunities, functions, and obligations of the Orting Transportation Benefit District, pursuant to Second Engrossed Substitute Senate Bill 5987 (2015), which amending Chapter 36.73 RCW to allow for said assumption; and

WHEREAS, following assumption of the functions of the Orting Transportation Benefit District (TBD), the City continued to collect the annual vehicle license fee in the amount of twenty dollars (\$20), as reflected in the City's annual budget ordinances; and

WHEREAS, the City Council elected to amend the rate to \$0 (zero dollars) in February of 2020 through Ordinance No. 2020-1058, after a public hearing and in response to the passage of Initiative No. 976, which repealed and lowered certain vehicle registration fees and taxes in Washington;

WHEREAS, Initiative No. 976 was later declared invalid by the State Supreme Court, but the City Council maintained the rate at \$0; and

WHEREAS, in 2022 Council set a goal of completing a street assessment and coming up with a plan to address street maintenance, including study of the TBD program;

WHEREAS, in 2023 the Public Works committee studied various options for street maintenance and found the TBD fee to be the most efficient source of funding, and recommended limiting expenditures to only street expenses and necessary pedestrian improvements; and

WHEREAS, on February 28th, 2024, the City Council held a duly noticed public hearing at its regularly schedule meeting to hear public comment on this Ordinance; and

WHEREAS, the City Council finds that it is in the best interests of the City to set the annual vehicle fee in the amount of \$20 (twenty dollars), consistent with Chapter 36.73 RCW;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ORTING, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Incorporation of Recitals. The above stated recitals are incorporated as though fully set forth herein.

Section 2. Amendment of Annual Vehicle Fee. The annual vehicle fee established for the City of Orting and collected by the Washington Department of Licensing on qualifying vehicles, consistent with Ch. 36.73 RCW, is hereby amended to a charge in the amount of \$20 (twenty dollars).

Section 3. Notice to Department of Licensing. The Clerk is instructed to submit this Ordinance to the Washington Department of Licensing (DOL), and to direct DOL to take all steps necessary to immediately implement this Ordinance.

Section 4. Goals and Policy of Transportation Benefit District Program. The council adopts the following goals and policy statements to guide project selection and development for the Transportation Benefit District:

1. Preserve our existing street transportation network in a way that minimizes complete street replacement due to deterioration.
2. Provide matching funds for street preservation grants.
3. Maintain an inventory of street conditions so that we are timing our maintenance investments to get the maximum life out of existing streets.
4. For streets that have deteriorated past the point of preservation, the TBD should provide matching funds for street replacement grants.
5. When required to implement street preservation, provide necessary modifications to adjacent pedestrian infrastructure.
6. Manage project timing in a manner to maintain the \$20 per vehicle charge as adequate to cover the program needs.

Section 5. Implementation. The city will identify projects eligible for TBD funding as part of its 6-year Transportation Improvement Plan which is adopted annually around June.

Section 6. Department of Licensing Agreement. Should any agreement with the Department of Licensing, another Washington State Agency, or their vendor become necessary to implement this fee, the Mayor is authorized to execute those agreements.

Section 7. Termination of Fee. The annual vehicle fee authorized will revert to \$0 (zero dollars) annually on January 1, 2030 unless re-authorized by the City Council.

Section 8. Ratification. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

Section 9 Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 10. Corrections. Upon approval of the City Attorney, the City Clerk is authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or section/subsection numbering.

Section 11. Effective Date. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 28th DAY OF February, 2024

CITY OF ORTING

Joshua Penner, Mayor

ATTEST/AUTHENTICATED:

Kim Agfalvi, City Clerk, CMC

Approved as to form:

Charlotte A. Archer
Inslee, Best, Doezie & Ryder, P.S.
City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No. 20XX-XXXX
Date of Publication:
Effective Date:

SR 162/SR 410 Interchange - Construct Roundabouts

Project Information

PIN: 316202C As of Date: January 2024
 Region: Olympic Regional Admin: S. Roark
 State Route: SR 162
 Current Status: Construction Legislative Districts: 31

Project Description
 Funds are provided for the SR 162/SR 410 interchange project to improve operations at this location.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete	Q1 2020	Q1 2020	On Schedule
Preliminary Engineering Start	Q2 2021	Q2 2021	On Schedule
Environmental Complete	Q1 2022	Q2 2023	Late
Right of Way Complete	Q4 2022		
Contract Advertisement	Q3 2022		
Operationally Complete	Q2 2024		

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$897	\$897
Right of Way	\$0	\$0	\$0
Construction	\$0	\$0	\$0
Total	\$0	\$897	\$897

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$897	\$0	\$897
Right of Way	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$897	\$0	\$897

SR 162/SR 161 Additional Connectivity Study

Project Information

PIN: 316203E As of Date: January 2024
 Region: Olympic Regional Admin: S. Roark
 State Route: SR 162
 Current Status: Pre-Construction Legislative Districts: 02, 25, 31

Project Description
 Conduct a study on the need for additional connectivity in the area between SR 162, South of Military Road East and North of Orting, and SR 162 in South Pierce County.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete			
Preliminary Engineering Start		Q3 2022	
Environmental Complete			
Right of Way Complete			
Contract Advertisement			
Operationally Complete			

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$0	\$500
Right of Way	\$0	\$0	\$0
Construction	\$0	\$0	\$0
Total	\$0	\$0	\$500

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$500	\$0	\$500
Right of Way	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$500	\$0	\$500

SR 162/Right of Way Acquisition for Tehaleh Development

Project Information	
PIN: 316204C	As of Date: January 2024
Region: Olympic	Regional Admin: S. Roark
State Route: SR 162	
Current Status: Not Started	Legislative Districts: 31
Project Description The developer will reimburse WSDOT for right of way acquisition along SR 162 for the Tehaleh Development.	

Project Milestones			
Milestone	Original Date	Current Date	Status
Project Definition Complete			
Preliminary Engineering Start			
Environmental Complete			
Right of Way Complete			
Contract Advertisement			
Operationally Complete			

Project Cost Summary (\$ in Thousands)			
Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$0	\$0
Right of Way	\$0	\$30	\$4,555
Construction	\$0	\$0	\$0
Total	\$0	\$30	\$4,555

Project Funding Summary - Current Approved Cost (\$ in Thousands)					
Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$0	\$0	\$0
Right of Way	\$0	\$0	\$4,555	\$0	\$4,555
Construction	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$4,555	\$0	\$4,555

SR 162/SR 410 Center Turn Lane - Pre-Design

Project Information	
PIN: 316207C	As of Date: January 2024
Region: Olympic	Regional Admin: S. Roark
State Route: SR 162	
Current Status: Pre-Construction	Legislative Districts: 25, 31
Project Description Planning and pre-design for expansion of State Route Number 162 from State Route Number 410 south to west city limits of Orting with an addition of a center turn lane to increase safety, relieve congestion, reduce collisions, and increase fire and law enforcement personnel response time to emergencies.	

Project Milestones			
Milestone	Original Date	Current Date	Status
Project Definition Complete			
Preliminary Engineering Start		Q4 2023	
Environmental Complete			
Right of Way Complete			
Contract Advertisement			
Operationally Complete			

Project Cost Summary (\$ in Thousands)			
Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$0	\$1,000
Right of Way	\$0	\$0	\$0
Construction	\$0	\$0	\$0
Total	\$0	\$0	\$1,000

Project Funding Summary - Current Approved Cost (\$ in Thousands)					
Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$1,000	\$0	\$1,000
Right of Way	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$1,000	\$0	\$1,000

SR 162/Orville Rd E Intersection - Roundabout
Project Information

PIN: 316211R As of Date: January 2024
 Region: Olympic Regional Admin: S. Roark
 State Route: SR 162
 Current Status: Pre-Construction Legislative Districts: 31

Project Description
 This intersection has been identified as a candidate for Intersection Systemic Safety. By constructing a roundabout, this project has the potential to reduce the frequency and severity of collisions and improve motorist safety.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete	Q4 2022	Q1 2024	Late
Preliminary Engineering Start	Q1 2023	Q3 2021	Early
Environmental Complete	Q3 2023	Q3 2024	Late
Right of Way Complete			
Contract Advertisement	Q4 2023	Q1 2025	Late
Operationally Complete	Q4 2024	Q3 2026	Late

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$262	\$697
Right of Way	\$0	\$0	\$93
Construction	\$0	\$854	\$2,855
Total	\$0	\$1,116	\$3,645

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$697	\$0	\$697
Right of Way	\$0	\$0	\$93	\$0	\$93
Construction	\$0	\$0	\$2,855	\$0	\$2,855
Total	\$0	\$0	\$3,645	\$0	\$3,645

SR 162/Rauch Creek & Card Creek - Remove Fish Barriers
Project Information

PIN: 316212F As of Date: January 2024
 Region: North Central Regional Admin: D. Bierschbach
 State Route: SR 162
 Current Status: Pre-Construction Legislative Districts: 02, 31

Project Description
 The existing drainage structure at this location has been identified as a fish passage barrier. By replacing the existing structure with a fish passable structure, the restriction to fish passage will be eliminated.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete	Q2 2021	Q1 2023	Late
Preliminary Engineering Start	Q2 2021	Q1 2023	Late
Environmental Complete	Q2 2022	Q3 2023	Late
Right of Way Complete	Q3 2023	Q3 2024	Late
Contract Advertisement	Q3 2023	Q4 2024	Late
Operationally Complete	Q4 2025	Q3 2026	Late

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$1,770	\$1,847
Right of Way	\$0	\$44	\$54
Construction	\$0	\$7,395	\$7,913
Total	\$0	\$9,209	\$9,814

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$0	\$1,847	\$1,847
Right of Way	\$0	\$0	\$0	\$54	\$54
Construction	\$0	\$0	\$0	\$7,913	\$7,913
Total	\$0	\$0	\$0	\$9,814	\$9,814

SR 162/Spiketon Creek - Remove Fish Barriers

Project Information

PIN: 316226A As of Date: January 2024
 Region: Olympic Regional Admin: S. Roark
 State Route: SR 162
 Current Status: Not Started Legislative Districts: 31

Project Description
 The existing drainage structure at this location has been identified as a fish passage barrier. By replacing the existing structure with a fish passable structure, the restriction to fish passage will be eliminated.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete	Q1 2024	Q1 2026	Late
Preliminary Engineering Start	Q1 2024	Q1 2026	Late
Environmental Complete	Q2 2024	Q2 2026	Late
Right of Way Complete	Q3 2025	Q3 2027	Late
Contract Advertisement	Q4 2025	Q4 2027	Late
Operationally Complete	Q4 2026	Q4 2028	Late

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$1,408	\$1,499
Right of Way	\$0	\$25	\$10
Construction	\$0	\$6,867	\$7,437
Total	\$0	\$8,300	\$8,946

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$1,499	\$0	\$1,499
Right of Way	\$0	\$0	\$10	\$0	\$10
Construction	\$0	\$0	\$7,437	\$0	\$7,437
Total	\$0	\$0	\$8,946	\$0	\$8,946

SR 162/Right of Way Acquisition for Tehaleh Development

Project Information

PIN: B316204C As of Date: January 2024
 Region: Olympic Regional Admin: S. Roark
 State Route: SR 162
 Current Status: Not Started Legislative Districts: 25

Project Description
 The developer will reimburse WSDOT for right of way acquisition along SR 162 for the Tehaleh Development.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete			
Preliminary Engineering Start			
Environmental Complete			
Right of Way Complete			
Contract Advertisement			
Operationally Complete			

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$0	\$0
Right of Way	\$0	\$605	\$605
Construction	\$0	\$0	\$0
Total	\$0	\$605	\$605

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$0	\$0	\$0
Right of Way	\$0	\$0	\$605	\$0	\$605
Construction	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$605	\$0	\$605

SR 162/Orting Area - Construct Pedestrian Evacuation Crossing
Project Information

PIN: B316218A As of Date: January 2024
 Region: Olympic Regional Admin: S. Roark
 State Route: SR 162
 Current Status: Not Started Legislative Districts: 02

Project Description
 This is a City of Orting lead project to construct a dedicated pedestrian evacuation route from Orting school campuses to a safe location on the Orting Plateau in the event of a Lahar. This \$850,000 is the State's contribution from the 2005 Transportation Partnership Account.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete			
Preliminary Engineering Start			
Environmental Complete			
Right of Way Complete			
Contract Advertisement			
Operationally Complete			

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$829	\$829
Right of Way	\$0	\$0	\$0
Construction	\$850	\$0	\$0
Total	\$850	\$829	\$829

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$829	\$0	\$0	\$829
Right of Way	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$829	\$0	\$0	\$829

SR 162/410 Interchange Design and Right of Way Project
Project Information

PIN: BL1000276 As of Date: January 2024
 Region: Olympic Regional Admin: S. Roark
 State Route: SR 162
 Current Status: Not Started Legislative Districts: 31

Project Description
 Funds are provided for design and right-of-way for the SR 162/SR 410 intersection project.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete			
Preliminary Engineering Start			
Environmental Complete			
Right of Way Complete			
Contract Advertisement			
Operationally Complete			

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$1,000	\$1,000
Right of Way	\$1,000	\$0	\$0
Construction	\$0	\$9,509	\$9,509
Total	\$1,000	\$10,509	\$10,509

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$1,000	\$0	\$1,000
Right of Way	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$9,509	\$0	\$9,509
Total	\$0	\$0	\$10,509	\$0	\$10,509

SR 162/SR 161 Additional Connectivity in South Pierce County

Project Information

PIN: BL1000312 As of Date: January 2024
 Region: Unassigned Regional Admin:
 State Route: SR 162
 Current Status: Not Started Legislative Districts:
 Project Description
 A study on the need for additional connectivity in the area between SR 162, south of Military Road East and north of Orting, and SR 161 in South Pierce County.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete			
Preliminary Engineering Start			
Environmental Complete			
Right of Way Complete			
Contract Advertisement			
Operationally Complete			

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$0	\$0
Right of Way	\$0	\$0	\$0
Construction	\$0	\$0	\$0
Total	\$0	\$0	\$0

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$0	\$0	\$0
Right of Way	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0

SR 162/SR410 Center Turn Lane

Project Information

PIN: BL1000332 As of Date: January 2024
 Region: Unassigned Regional Admin:
 State Route: SR 162
 Current Status: Not Started Legislative Districts: 31
 Project Description
 Planning and pre-design for expansion of State Route Number 162 from State Route Number 410 south to west city limits of Orting with an addition of a center turn lane to increase safety, relieve congestion, reduce collisions, and increase fire and law enforcement personnel response time to emergencies.

Project Milestones

Milestone	Original Date	Current Date	Status
Project Definition Complete			
Preliminary Engineering Start			
Environmental Complete			
Right of Way Complete			
Contract Advertisement			
Operationally Complete			

Project Cost Summary (\$ in Thousands)

Project Status	Leg. Initial Budget	Current Leg. Budget	Current Approved Cost
Preliminary Engineering	\$0	\$0	\$0
Right of Way	\$0	\$1,000	\$1,000
Construction	\$0	\$0	\$0
Total	\$0	\$1,000	\$1,000

Project Funding Summary - Current Approved Cost (\$ in Thousands)

Project Phase	Nickel	TPA	Pre-Existing Funds	CWA	Total
Preliminary Engineering	\$0	\$0	\$0	\$0	\$0
Right of Way	\$0	\$0	\$1,000	\$0	\$1,000
Construction	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$1,000	\$0	\$1,000



**City of Orting
Council Agenda Summary Sheet**

	Agenda Bill #	Recommending Committee	Study Session Dates	Regular Meeting Dates
Subject: Building Code Update - Ordinance	AB23-XX	Public Works		
		02/07/2024		
	Department:	Building		
	Date Submitted:	02/07/2024		
Cost of Item:	N/A			
Amount Budgeted:	N/A			
Unexpended Balance:	N/A			
Bars #:	N/A			
Timeline:	TBD			
Submitted By:	Tim Lincoln/John Bielka			
Fiscal Note: None				
Attachments: Ord. 2023-XX				
SUMMARY STATEMENT:				
<p>The Washington State Legislator updated the State Building Code Act to adopt the 2021 versions of the State Building Code which is anticipated to be effective this October. The city adopts the State Building Code by reference in Title 10, Chapter 1 of the Orting Municipal Code (OMC), and needs to adopt new language to reference the updated state code. The updates include reference to the 2021 International Building Code, International Residential Code, International Mechanical Code, International Fire Code, Uniform Plumbing Code, International Energy Conservation Code – Commercial, International Energy Conservation Code – Residential, International Property Maintenance Code. The city has certain minimum climatic and geographic design criteria which are listed explicitly in the code, and the most recent version amends the wind speed gust criteria from 85 mph to 110 mph.</p> <p>The city also previously adopted certain fire zone maps under OMC 10-2-3(B) which are no longer applicable, and the ordinance repeals this section of the code.</p>				
RECOMMENDED ACTION: Deliberation but hold on final passage until the State adopts final versions of codes.				
FUTURE MOTION: To adopt Ordinance No. 2023-XX, an Ordinance of the City of Orting, Washington, amending Title 10 Chapter 1, State Building Code, of the Orting Municipal Code to conform with updates to the State Building Code under Chapter 19.27 of the Revised Code of Washington and the Revised Washington State Building Code Act; adopting the current state codes; providing for severability and corrections; and establishing an effective date.				

ORDINANCE NO. 0xx-24

AN ORDINANCE OF THE CITY OF ORTING, WASHINGTON, AMENDING SECTION 10-1-3A, STATE BUILDING CODE, OF THE ORTING MUNICIPAL CODE TO CONFORM WITH UPDATES TO THE STATE BUILDING CODE UNDER CHAPTER 19.27 OF THE REVISED CODE OF WASHINGTON AND THE REVISED WASHINGTON STATE BUILDING CODE ACT; ADOPTING THE CURRENT STATE BUILDING CODES; PROVIDING FOR SEVERABILITY AND CORRECTIONS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Washington State Building Code Council (Code Council) periodically recommends and adopts uniform codes of statewide applicability, collectively referred to as the State Building Code; and

WHEREAS, the Washington state legislature has updated Chapter 19.27 of the Revised Code of Washington (RCW), the Washington State Building Code Act, to adopt the 2021 versions of the State Building Code, effective March 15, 2024; and

WHEREAS, the City of Orting (the “City”) has adopted by reference the State Building Codes as required by state law, to locally enforce said rules for the health, safety, and welfare of the public; and

WHEREAS, Chapter 10-1, State Building Code, of the Orting Municipal Code (OMC) will not conform to the State Building Code and RCW 19.27 after March 15, 2024, without amendment; and

WHEREAS, the City Council wishes to update sections in Chapter 10-1 of the OMC so that the OMC is consistent with the State Building Code and RCW 19.27, as updated effective March 15, 2024; and

WHEREAS, the SEPA Responsible Official for the City determined that the adoption of this ordinance is categorically exempt from environmental review as a procedural action under WAC 197-11-800(20); now, therefore

THE CITY COUNCIL OF THE CITY OF ORTING, WASHINGTON, DOES ORDAIN AS FOLLOWS:

SECTION 1. Amendment of OMC 10-1-3A, State Building Code. Orting Municipal Code Section 10-1-3A is hereby amended to read as follows:

A. State Building Code: For purposes of this title, the state building code shall consist of the following national model codes and the following standards, as such model codes and standards are adopted and amended from time to time by the Washington State Building Code Council pursuant to chapters 19.27 and 70.92 of the Revised Code of Washington and title 51 of the Washington administrative code:

(1) The 2021 Edition of the International Building Code, as published by the International Code Council (ICC), including Appendix E, as adopted and amended by the Washington State Building Code Council (WSBCC) in WAC [51-50-003](#), is hereby adopted by reference. Additionally, Appendix B of the 2021 International Building Code is adopted by reference by the City of Orting;

(2) The 2021 Edition of the International Residential Code as published by the ICC and as adopted and amended by the WSBCC in WAC [51-51-003](#). Additionally, Appendix M of the International Residential Code is adopted by reference by the city of Orting;

(3) The 2021 Edition of the International Mechanical Code, as published by the ICC, as adopted and amended by the WSBCC in WAC [51-52-003](#), is hereby adopted by reference by the city of Orting;

(4) The 2021 Edition of the International Fire Code, as published by the ICC as adopted by the WSBCC in Chapter [51-54A](#) WAC, is hereby adopted by reference. Additionally, Appendix B of the International Fire Code is adopted by reference by the city of Orting, and portions of Appendix D are adopted as shown in OMC [20.200.016](#);

(5) The 2021 Edition of the Uniform Plumbing Code, as published by the International Association of Plumbing and Mechanical Officials and as adopted and amended by the WSBCC in WAC [51-56-003](#), is hereby adopted by reference;

(6) The 2021 Edition of the International Energy Conservation Code, Commercial, as adopted and amended by the Washington State Building Code Council in Chapter [51-11C](#) WAC;

(7) The 2021 Edition of the International Energy Conservation Code, Residential, as adopted and amended by the Washington State Building Code Council in Chapter [51-11R](#) WAC;

(8) The 2021 edition of the International Property Maintenance Code, as published by the ICC;

(9) The 2021 Edition of the Wildland-Urban Interface Code, as adopted and amended by the Washington State Building Code Council in Chapter 51-55 WAC

(10) The 2021 Edition of the International Existing Building Code, as adopted and amended by the Washington State Building Code Council.

(11) and, The 2021 Edition of the International Swimming Pool and Spa Code as published by ICC.

All amendments to the state building code adopted by the Washington state building council from time to time are hereby, upon the effective date of such amendments, incorporated in this chapter as though fully set forth herein. In the event that any provisions of the state building code are renumbered or re-lettered, any reference in this chapter to such provision shall refer to the provision as renumbered or re-lettered.

SECTION 2. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of constitutionality of any other section, sentence, clause or phrase of this ordinance.

SECTION 3. Corrections. Upon approval of the city attorney, the city clerk and the codifiers of this ordinance are authorized to make necessary technical corrections to this ordinance, including, without limitation, the correction of clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or section/subsection numbering.

SECTION 4. Effective Date. This ordinance shall be in full force five days after posting and publication as required by law, provided the City code amendments stated in Section 1 of this ordinance shall be effective on March 15, 2024. A summary of this ordinance may be published in lieu of publishing the ordinance in its entirety.

PASSED by the City Council of the City of Orting, Washington at its regular meeting on the 28th of February 2024, and approved by the Mayor and attested by the Clerk in authentication of such passage this date here.

Joshua Penner, Mayor

ATTEST:

Kim Agfalvi, City Clerk

APPROVED AS TO FORM ONLY:

Charlotte A. Archer, City Attorney