

**TUMWATER PUBLIC WORKS COMMITTEE  
MINUTES OF VIRTUAL MEETING  
October 17, 2024 Page 1**

**CONVENE:** 8:00 a.m.

**PRESENT:** Chair Eileen Swarthout and Councilmembers Michael Althaus and Angela Jefferson.

Staff: City Administrator Lisa Parks, Assistant City Attorney David Abbott, Finance Director Troy Niemeyer, Transportation & Engineering Director Brandon Hicks, Water Resources and Sustainability Director Dan Smith, Engineering Services Manager Bill Lindauer, Engineer I Bernie Gertje, Community Engagement Specialist Marnie McGrath, and Administrative Assistant Bonnie Hale.

**93RD AVENUE  
INTERCHANGE  
STUDY  
CONSULTANT  
AGREEMENT WITH  
SHEA CARR &  
JEWELL,  
INCORPORATED:**

Director Hicks presented the 93<sup>rd</sup> Avenue Interchange Study consultant agreement. The interchange exceeds capacity at certain times of the day and is heavily traveled by trucks and residential traffic generated from new development. Daily traffic on the east side of the interchange has increased from over 9,000 daily trips in 2002 to 21,000 daily trips in 2022 representing a 130% increase in 20 years. Most issues exist on the east side of the interchange. An increase in traffic is anticipated in response to proposed large development immediately adjacent to the interchange based on zoning and land ownership.

Director Hicks displayed several images of truck traffic near the interchange. Today, the interchange lacks storage area for vehicles with many conflicting left turn movements creating capacity and safety issues. The interchange is old and lacks connected multimodal facilities. Some sidewalks exist with bike lanes; however, the sidewalk and bike lane network has many gaps with facilities lacking on both sides of the road. The main scope of the project is capacity, safety, and multimodal facilities.

Recently developed properties are contributing to the issues experienced at the interchange. New development includes 1.5 million square feet of new warehouses, 23,000 square feet in commercial or retail uses, 75,000 square feet of government buildings (National Guard Readiness Center), and 700 single family homes. Planned development include 2.1 million square feet of warehouses, 500 new residential units, and new development planned by the Confederated Tribes of the Chehalis Reservation of commercial uses expanding the existing development of the Flying J Truck Stop.

The study includes four major project partners and business stakeholders with close coordination with the tribe, which owns approximately 70 acres located adjacent to the interchange and zoned for dense development.

SCJ Alliance was selected as the most qualified consultant to complete

**TUMWATER PUBLIC WORKS COMMITTEE**  
**MINUTES OF VIRTUAL MEETING**  
**October 17, 2024 Page 2**

the study. The scope of work includes analyzing safety and mobility issues and evaluation of capacity at the interchange and for all road segments within the immediate vicinity. The consultant will complete an intersection control evaluation (ICE) required when construction involves Washington State Department of Transportation (WSDOT) or the U.S. Department of Transportation (DOT). The total cost of the study is approximately \$258,960 with the consultant fee of \$222,600 included. The remaining amount is for staff time. The study received a substantial federal grant awarded by the Thurston Regional Planning Council.

Director Hicks asked the committee to recommend the City Council approve and authorize the Mayor to sign the Consultant Agreement with Shea Carr & Jewell, Inc., for the I-5 & SR 11-93rd Ave SE Interchange Study. He noted that the staff report and the agreement lacked information on the total cost but that the cost is reflected in exhibits to the agreement. The proposed action is for a not to exceed amount of \$222,597.49. Director Brandon invited questions from members.

Councilmember Jefferson asked whether the outcome of the study would provide recommendations on particular enhancements at the interchange, such as roundabout or traffic signals. Director Brandon said the study would document all improvements necessary within the scope of the study that could include widening the interchange bridge on 93<sup>rd</sup> Avenue, some intersection control changes, or other multimodal transportation improvements.

Councilmember Jefferson asked about the necessity of hiring a consultant. For example, she asked whether staff has the expertise to identify needed improvements to the interchange and surrounding area. Director Hicks responded that many employees who drive through the area daily have a good understanding of the issues and some possible solutions; however, the consultant's efforts will be required, as the study must be submitted to WSDOT in coordination with the Federal Highway Administration for any improvements to the interchange. The consultant will provide some basic layouts addressing existing and future conditions to help identify needed right-of-way necessary to support development proposals. The study will be comprehensive. The department lacks the capacity to complete the study.

Councilmember Althaus asked whether the requirements are necessary because the facility is over and adjacent to Interstate 5. Director Hicks affirmed that any work on WSDOT facilities, especially on I-5 requires the City to complete permitting and document requirements. Additionally, east of the interchange, 93<sup>rd</sup> Avenue also serves as State Route 121. The City street is also part of the state highway system primarily because of Millersylvania State Park. The state is required to maintain the pavement on the road to the park and the City is responsible

**TUMWATER PUBLIC WORKS COMMITTEE  
MINUTES OF VIRTUAL MEETING  
October 17, 2024 Page 3**

for all frontage and access control.

Chair Swarhout asked about the potential of running a water main along the overpass. Director Hicks said that if the bridge is widened, it would likely entail the addition of a water main across the bridge. The tribe's project included connecting water to the westside of I-5 to the south of its property on other private property. City water currently serves the tribe's development.

Timing of the improvements is unknown at this time because construction funding has not been identified. The current focus is for improvements to the Tumwater Boulevard interchange by reconstructing the interchange in phases. A design was completed for the northbound ramp and construction should occur within the next several years.

**MOTION:**

**Councilmember Jefferson moved, seconded by Councilmember Althausser, recommend the City Council approve and authorize the Mayor to sign the Consultant Agreement with Shea Carr & Jewell, Inc., for the I-5 & SR 11-93rd Ave SE Interchange Study Project. A voice vote approved the motion unanimously.**

**RESOLUTION NO.  
R2024-017, 2025 FEE  
SCHEDULE:**

Director Niemeyer reported the resolution is an annual process to establish all fees charged for services provided by the City. The City's practice has been smaller incremental increases annually rather than a large increase every few years.

Director Niemeyer reviewed the proposed changes. The inspection fee for business for new location or change in use has increased from \$85 to \$100. Table II includes minor updates with larger changes attributed to school district impact fees by the school districts. Last year, the impact fees charged by the Tumwater School District were not updated. The Olympia School District has not provided information on school district impact fees. The impact fees will be added after the City receives information from the Olympia School District.

Table III for building and fire safety was updated to reflect current costs of doing business. The Certificate of Occupancy fee for a business increased from \$85 to \$110.

Table IV for Transportation and Engineering, Utilities, and Utilities Connections includes some small fee increases. The major change increases water connection fees by 8.5% and sewer connection fees by 4%.

Table V for Public Safety includes a fire alarm fee increase for the third false alarm of \$393. The fee is based on the recommendation by the Washington Association of Fire Chiefs.

**TUMWATER PUBLIC WORKS COMMITTEE**  
**MINUTES OF VIRTUAL MEETING**  
**October 17, 2024 Page 4**

Table VI for Recreation includes an increase of \$10 for youth baseball and youth basketball fees.

Table VIII is a new table for fees for the Lifeline Program, a program for low-income residents to receive a 50% discount off utilities. Additionally, the City offers the Tumwater Hardship Program funded by community donations. Federal programs also provide funding support to the community.

Table VII reflects an increase in the LOTT sewer connection fee of 3%. The City proposes to increase utilities of 6% for water, 8% for stormwater, and 7% for sewer. The Water Resources and the Sustainability Department is completing a 10-year rate study for utilities addressing future growth and needs. The study recommends higher increases than the proposal; however, because the study has not been completed, the proposal is less than the recommended increase. The increases support additional utility staff, equipment, electrification of the fleet, long-term capital projects, urban forestry, and a portion for stormwater for the Deschutes Estuary Restoration project.

Director Niemeyer reviewed the financial toolbox available to increase revenue sources to fund additional positions and other costs. Part of the proposal and the overall budget proposal is an increase in the utility tax on Tumwater utilities from 6% to 12% contributing another \$600,000 to the general fund to fund increasing costs. The cost to a customer would be approximately \$8 a month.

Director Niemeyer reviewed utility tax rates of Olympia and Lacey. Olympia currently charges 12.5% and Lacey charges 6% in utility taxes. He shared a comparison of all utility rates for the City of Tumwater compared to the rates charged by the cities of Lacey and Olympia. Tumwater's monthly water increase represents \$2.30, \$1.62 for sewer (City's portion only with LOTT portion of \$1.38), \$1.13 for stormwater, and \$8.08 for utility tax for a total increase of a monthly bill (assuming consumption of 900 cubic feet of water) of \$14.51 or an average monthly utility bill \$143.55 or \$5 less than Olympia and \$7.65 less than Lacey.

Director Niemeyer invited questions.

Councilmember Jefferson requested information on the City's last increase in utility tax. Director Niemeyer advised that the City has not increased utility tax since he joined the City four years ago but would follow up with information on the last tax increase.

Councilmember Althaus commented that the City of Lacey's utility tax remains at 6% while individual utility rates are much higher than the City

**TUMWATER PUBLIC WORKS COMMITTEE**  
**MINUTES OF VIRTUAL MEETING**  
**October 17, 2024 Page 5**

of Tumwater's utility rates. Director Niemeyer replied that individual utility rates are based on what a city believes are necessary to operate the utility to include wages and increased costs of construction and connection fees. More discretion is available for utility tax. The City of Tumwater currently allocates a small percentage of utility tax to the general fund and to the Transportation Capital Facilities Plan (CFP) and the General Government CFP. The proposal includes designating the additional 6% entirely to the general fund.

City Administrator Parks clarified that water, sewer, and stormwater are enterprise funds or proprietary funds. Rates charged by the City support the utility system. The City is unable to utilize rate revenue beyond the needs of each utility. However, it is possible for the City to transact interfund loans. If any of the loan funds are a component of the utility rate, the City is required to reimburse the utility. Utility tax applied to each utility can be utilized by the general fund.

Councilmember Jefferson asked about any outreach to the community on assistance by the City to help residents pay utility bills. City Administrator Parks said staff recognizes challenges within the community and currently offer several programs to assist utility customers who have trouble paying their utility bills. Many people are taking advantage of the programs as needed. The City has been effective in communicating the availability of the programs to the community. Staff is committed to exploring other programs that might be offered. The City has the authority to develop programs to address the needs of customers who have financial limitations. Councilmember Jefferson recommended including information about the programs within monthly utility bills.

Chair Swarthout asked about the possibility of accounting for the increases when considering a person's income as some customers who need financial assistance cannot qualify as their income threshold does not meet eligibility requirements to participate in the programs. Director Niemeyer advised that the City's financial assistance programs use Thurston County income thresholds for property tax assistance. Staff acknowledges that some customers do not qualify for assistance despite having trouble paying their utility bill. If a customer qualifies for the City's Lifeline Program, the customer would receive a 50% discount on their entire utility bill.

City Administrator Parks added that staff could explore options for possibility reevaluating whether the income threshold level could be increased; however, the City must abide by the constitutional provision of not gifting public funds.

Director Smith noted that the department is exploring options as part of a study on the utilities. The study is nearing completion on the financial

**TUMWATER PUBLIC WORKS COMMITTEE**

**MINUTES OF VIRTUAL MEETING**

**October 17, 2024 Page 6**

aspect and for future capital projects. The last element of the study is reviewing the affordability factor of each utility rate. It may entail a revised affordability formula and potential opportunities or programs that could be implemented either in addition to or as an expanded program for financial assistance to low-income customers.

Chair Swarthout asked whether projects similar to the recently completed Habitat for Humanity project qualify for the Lifeline Program or other programs. Director Smith responded that during the development phase, the City offers different discounts for the connection fees for properties providing low-income housing. Within the Lifeline Program, the Finance Department has been working with mobile home communities and other low-income supported housing to provide a discount to individual ratepayers. Staff works with customers to determine the number of ratepayers that qualify for the program.

City Administrator Parks added that the connection fee is paid by the developer while the Lifeline Program applies to users that qualify.

Director Niemeyer said the briefing is only informational. The proposal will be presented to the Council on November 4, 2024 for consideration. The effective date of the proposal is January 1, 2025.

**MOTION:**                    **Councilmember Jefferson moved, seconded by Councilmember Althausser, to recommend placement of Resolution No. R-2024-0017 for the 2025 Fee Schedule on the November 4, 2024 City Council Consideration calendar with a recommendation to approve and authorize the Mayor to sign. A voice vote approved the motion unanimously.**

**ADJOURNMENT:**        **With there being no further business, Chair Swarthout adjourned the meeting at 8:50 a.m.**

Prepared by Valerie L. Gow, Recording Secretary/President  
Puget Sound Meeting Services, psmsoly@earthlink.net