



Legislation Passed February 19, 2013

The Tacoma City Council, at its regular City Council meeting of February 19, 2013, adopted the following resolutions and/or ordinances. The summary of the contents of said resolutions and/or ordinances are shown below. To view the full text of the document, click on the bookmark at the left of the page.

Resolution No. 38626

Appointing Susan Warner to serve on the Greater Tacoma Regional Convention Center Public Facilities District Board of Directors for a four-year term commencing March 1, 2013 through October 31, 2016.

Purchase Resolution No. 38627

Awarding contracts to:

1. Sprint Solutions, Inc., in the amount of \$1,700,000, plus sales tax, budgeted from various departmental funds, for cell phone airtime services, wireless data services, and related equipment purchases on an as-needed basis, from March 1, 2013 through October 31, 2016 –

Washington State Contract No. T12-MST-685; and

2. Verizon Wireless, Inc., in the amount of \$3,400,000, plus sales tax, budgeted from various departmental funds, for cell phone airtime services, wireless data services, and related equipment purchases on an as-needed basis, from March 1, 2013 through October 31, 2016 –

Washington State Contract No. T12-MST-687.

Resolution No. 38628

Amending the Water Rate Policy by updating the title to read Water Rate and Financial Policy; and amending Section III of the Policy to improve transparency to all stakeholders, facilitate responsible fund management, and increase potential revenue stability.

Resolution No. 38629

Amending the Electric Rate and Financial Policy to include a new section entitled Rate Stabilization Fund.

Resolution No. 38630

Authorizing the execution of an agreement with Pierce Transit, in the amount of \$333,859.52, budgeted from the General Fund, to purchase One Regional Card for All (ORCA) Business Cards as part of the City's Commute Trip Reduction Program for 2013.

Resolution No. 38631

Authorizing the execution of an agreement with the Tacoma-Pierce County Employment and Training Consortium, in the amount of \$650,210, budgeted from the Youth Build Tacoma Fund, for implementation of the Youth Building Tacoma comprehensive job training and pre-apprenticeship program from January 1, 2013 through December 31, 2014.



RESOLUTION NO. 38626

BY REQUEST OF MAYOR STRICKLAND

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

A RESOLUTION relating to committees, boards, and commissions; appointing a citizen to the Greater Tacoma Regional Convention Center Public Facilities District Board of Directors.

WHEREAS a vacancy exists on the Greater Tacoma Regional Convention Center Public Facilities District Board of Directors, and

WHEREAS, under Tacoma City Charter Section 2.4, appointments may be made by a majority vote of the City Council from names presented in writing to the City Council by the Mayor or by any three members of the Council, and

WHEREAS the Mayor has nominated Susan Warner to serve on the Greater Tacoma Regional Convention Center Public Facilities District Board of Directors;

Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That Susan Warner is hereby appointed to serve on the Greater Tacoma Regional Convention Center Public Facilities District Board of Directors for a four year term commencing on March 1, 2013, through October 31, 2016, and until a successor is appointed.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney



RESOLUTION NO. 38627

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; authorizing the appropriate City officials to
3 enter into contracts and, where specified, waiving competitive bidding
4 requirements, authorizing sales of surplus property, or increasing or
5 extending existing agreements.

6 WHEREAS the City has complied with all applicable laws governing the
7 acquisition of those supplies, and/or the procurement of those services,
8 inclusive of public works, set forth in the attached Exhibit "A," which Exhibit is
9 incorporated herein as though fully set forth, and

10 WHEREAS the Board of Contracts and Awards has reviewed the
11 proposals and bids received by the City, and the Board has made its
12 recommendation as set forth in Exhibit "A," and

13 WHEREAS the Board of Contracts and Awards has also made its
14 recommendations as to entering into purchasing agreements with those
15 governmental entities identified in Exhibit "A"; Now, Therefore,

16 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

17 That the Council of the City of Tacoma does hereby concur in the
18 findings and recommendations of the Board of Contracts and Awards set forth
19 in the attached Exhibit "A," and does hereby approve and authorize the:

20 () A. Procurement of those supplies, services, and public works
21 recommended for acceptance in the attached Exhibit "A";

22 () B. Rejection of those bids and/or proposals that are recommended
23 for rejection in the attached Exhibit "A";
24
25
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

(X) C. Entry into the proposed purchasing agreement with those governmental entities identified in the attached Exhibit "A," which proposed agreement is on file in the office of the City Clerk;

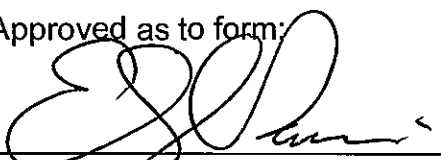
() D. Waiver of competitive bidding procedures in those instances, as set forth in Exhibit "A," in which it is impracticable to obtain supplies or public works improvements by competitive bid, or in those instances in which supplies and/or public works are available from a single source.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:


City Attorney



City of Tacoma
Finance Department

EXHIBIT "A"
RESOLUTION NO.: 38627
ITEM NO.: 1
MEETING DATE: FEBRUARY 19, 2013

DATE: February 1, 2013
TO: Board of Contracts and Awards
SUBJECT: Citywide Contract for Cell Phone Airtime Services, Wireless Data Services and related Equipment Purchases.
Budgeted from various funds as needed by using Departments/Divisions
Washington State DES (WSCA) Contract no. T12-MST-685

RECOMMENDATION: The Finance Department, Purchasing Division recommends the Public Utility Board and the City Council award a citywide contract to **Sprint Solutions, Inc., City of Industry, CA**, for cell phone airtime services, wireless data services and related equipment purchases, in the amount of \$1,700,000, plus applicable sales tax, for the period of March 1, 2013 through October 31, 2016.

EXPLANATION: This contract will allow for cell phone airtime services, wireless data services and the purchase of related equipment on an as-needed basis by multiple City Departments/Divisions. The \$1,700,000 is the combined estimated usage of \$340,000 for Tacoma Public Utilities and \$1,360,000 for General Government, based on prior year usage and estimated increased use.

COMPETITIVE BIDDING: The citywide contract is based on Washington State Department of Enterprise Services (DES) (WSCA) contract number T12-MST-685, a competitively bid contract awarded by Western States Contracting Alliance (WSCA), valid until October 31, 2016. WSCA is a cooperative, multi-state purchasing organization with fifteen (15) member states, including Washington State. Through interlocal cooperative purchasing agreement, the City of Tacoma contract is at state contract prices and terms, and meets competitive bidding requirements.

SUSTAINABILITY FACTORS

By utilizing the WSCA Contract the City is able to leverage the buying power of the fifteen (15) state WSCA cooperative which is a cost-effective and efficient means of obtaining quality products and services. The wireless voice and data services allow city staff to communicate when in the field or while away from their work station, which allows for more efficient use of staff time, efficient vehicle usage and can expedite needed City services. These wireless services are also used extensively by the Police and Fire Departments which enhance public safety services.

CONTRACT HISTORY: New contract.

FUNDING: Various – Funds for the contract are provided by the individual Departments and Divisions using the contract. The Departments/Divisions are billed directly for their purchases.

HUB/LEAP COMPLIANCE: Not applicable.

PROJECT ENGINEER/COORDINATOR: Jim Wilkerson, Finance Purchasing, 253-502-8332.



Kathy Katterhagen
Procurement and Payables Manager

Insert Initials (WLP:mr)

cc: Jim Wilkerson, Senior Buyer, Finance/Purchasing

File:



City of Tacoma

Memorandum

TO: City Council
Public Utility Board

FROM: Kathy Katterhagen, Division Manager
Procurement & Payables Division

SUBJECT: Supplemental Information
Sprint Solutions: Citywide Contract for Cell Phone Airtime, Wireless Data
Services and Related Equipment Purchases
Washington State DES (WSCA) Contract No. T12-MST-685

DATE: February 1, 2013

Background

City of Tacoma (City) and Tacoma Public Utility (TPU) Departments/Divisions have the need for cell phone airtime services, wireless data services and the ability to purchase related equipment on an 'as-needed' basis. The wireless voice and data services allow city staff to communicate when in the field or while away from their work station, which allows for more efficient use of staff time, efficient vehicle usage and can expedite needed City services. Wireless services are provided for City business use and are available to employees where the associated benefits justify the costs. Justification and monitoring of the use of wireless services and equipment purchases are performed by the individual Department/Division and by policy.

Bid/Purchase Process

The citywide contract is based on Washington State Department of Enterprise Services (DES), Western States Contracting Alliance (WSCA) contract number T12-MST-685. Through interlocal cooperative purchasing agreement the City is able to purchase at state contract prices and terms, and meets competitive bidding requirements. Utilizing the state contract is a cost-effective and efficient means of obtaining quality products and services.

Purchasing Division's Responsibilities

The Purchasing Division provides 3 citywide contracts for wireless services including Verizon Wireless, **Sprint Solutions** and AT&T, all based from Washington State DES (WSCA) Contracts. Utilizing the Washington State DES (WSCA) contracts allows City departments/divisions the ability to select a service provider and plan that best meet their respective needs. Purchasing responsibilities in administering the contract is to:

1. Insure the state contract meets the City's competitive bidding requirements.
2. The contract pricing is competitive.
3. Requests for contract approvals and adjustments are brought before the Public Utility Board and City Council in a timely manner.

Need for Services

Wireless communications may be needed under one or more of the following conditions:

1. Job responsibilities require an employee to be away from the office regularly for long periods.
2. It is essential the employee is able to communicate while out of the office and the use of other communications equipment, such as a pager, radio, or regular land line telephone is impractical.
3. Work-related personal safety and/or public safety can be enhanced by the use of a wireless communications.
4. The employee is designated as a "key person" or as "key personnel" and must be reachable via two-way voice and/or Email accessible at all times.
5. Field staff and Public Safety departments need for data connections to City networks.

Contract Term

The current contract term is through October 31, 2016.

Service Plans & Contract Pricing

The service plans under this contract are the same plans as those plans offered to all customers. The DES (WSCA) contract pricing is reflected in a (%) percent of discount to those plans. The percent of discounts are generally 22% off published plan pricing depending on the plan. If individual plan costs go down then so would the net cost to the City.

Funding

Budgeted from various funds as needed by using City Departments/Divisions.

Contract Usage

Below is the estimated annual contract usage by Department/Division, based on prior usage:

Tacoma Power – Transmission & Distribution \$2,277

Tacoma Water - Distribution Operations - \$70,521

TPU Customer Service - \$16,653

General Government (without Police & Fire) - \$200,292

Tacoma Police Department - \$63,150

Tacoma Fire - \$67,460

Sustainability Factors

By utilizing the WSCA Contract the City is able to leverage the buying power of the fifteen (15) state WSCA cooperative which is a cost-effective and efficient means of obtaining quality products and services. The wireless voice and data services allow city staff to communicate when in the field or while away from their work station, which allows for more efficient use of staff time, efficient vehicle usage and can expedite needed City services. These wireless services are also used extensively by the Police and Fire Departments which enhance public safety services.



City of Tacoma
Finance Department

EXHIBIT "A"

RESOLUTION NO.:

38627

ITEM NO.:

2

MEETING DATE:

FEBRUARY 19, 2013

DATE: February 1, 2013

TO: Board of Contracts and Awards

SUBJECT: Citywide Contract for Cell Phone Airtime, Wireless Data Services and Related Equipment Purchases.

Budgeted from various funds as needed by using Department and Divisions Washington State DES (WSCA) Contract No. T12-MST-687

RECOMMENDATION: The Finance Department, Purchasing Division recommends the Public Utility Board and the City Council award a citywide contract to **Verizon Wireless, Inc. St. Louis MO**, for cell phone airtime services, wireless data services and related equipment purchases, in the amount of \$3,400,000, plus applicable sales tax, for the period of March 1, 2013 through October 31, 2016.

EXPLANATION: This contract will allow for cell phone airtime services, wireless data services and the purchase of related equipment on an as-needed basis by multiple City Departments/Divisions. The \$3,400,000 is the combined estimated usage of \$1,666,000 for Tacoma Public Utilities and \$1,734,000 for General Government, based on prior year usage and estimated increased use.

COMPETITIVE BIDDING: The citywide contract is based on Washington State Department of Enterprise Services (DES) (WSCA) contract number T12-MST-687, a competitively bid contract awarded by Western States Contracting Alliance (WSCA), valid until October 31, 2016. WSCA is a cooperative, multi-state purchasing organization with fifteen (15) member states, including Washington State. Through interlocal cooperative purchasing agreement, the City of Tacoma contract is at state contract prices and terms, and meets competitive bidding requirements.

SUSTAINABILITY FACTORS

By utilizing the WSCA Contract the City is able to leverage the buying power of the fifteen (15) state WSCA cooperative which is a cost-effective and efficient means of obtaining quality products and services. The wireless voice and data services allow city staff to communicate when in the field or while away from their work station, which allows for more efficient use of staff time, efficient vehicle usage and can expedite needed City services. These wireless services are also used extensively by the Police and Fire Departments which enhance public safety services.

CONTRACT HISTORY: New contract.

FUNDING: Various – Funds for the contract are provided by the individual Departments and Divisions using the contract. The Departments/Divisions are billed directly for their purchases.

HUB/LEAP COMPLIANCE: Not applicable.

PROJECT ENGINEER/COORDINATOR: Jim Wilkerson, Finance Purchasing, 253-502-8332.



Kathy Katterhagen
Procurement and Payables Manager

Insert Initials (WLP:mr)

cc: Jim Wilkerson, Senior Buyer, Finance/Purchasing

Patsy Best, Purchasing Supervisor, Finance/Purchasing

File:



TO: City Council
Public Utility Board

FROM: Kathy Katterhagen, Division Manager
Procurement & Payables Division

SUBJECT: Supplemental Information
Verizon Wireless: Citywide Contract for Cell Phone Airtime, Wireless Data
Services and Related Equipment Purchases
Washington State DES (WSCA) Contract No. T12-MST-687

DATE: February 1, 2013

Background

City of Tacoma (City) and Tacoma Public Utility (TPU) Departments/Divisions have the need for cell phone airtime services, wireless data services and the ability to purchase related equipment on an 'as-needed' basis. The wireless voice and data services allow city staff to communicate when in the field or while away from their work station, which allows for more efficient use of staff time, efficient vehicle usage and can expedite needed City services. Wireless services are provided for City business use and are available to employees where the associated benefits justify the costs. Justification and monitoring of the use of wireless services and equipment purchases are performed by the individual Department/Division and by policy.

Bid/Purchase Process

The citywide contract is based on Washington State Department of Enterprise Services (DES), Western States Contracting Alliance (WSCA) contract number T12-MST-687. Through interlocal cooperative purchasing agreement the City is able to purchase at state contract prices and terms, and meets competitive bidding requirements. Utilizing the state contract is a cost-effective and efficient means of obtaining quality products and services.

Purchasing Division's Responsibilities

The Purchasing Division provides 3 citywide contracts for wireless services including Verizon Wireless, Sprint Solutions and AT&T, all based from Washington State DES (WSCA) Contracts. Utilizing the Washington State DES (WSCA) contracts allows City departments/divisions the ability to select a service provider and plan that best meet their respective needs. Purchasing responsibilities in administering the contract is to:

1. Insure the state contract meets the City's competitive bidding requirements.
2. The contract pricing is competitive.
3. Requests for contract approvals and adjustments are brought before the Public Utility Board and City Council in a timely manner.

Need for Services

Wireless communications may be needed under one or more of the following conditions:

1. Job responsibilities require an employee to be away from the office regularly for long periods.
2. It is essential the employee is able to communicate while out of the office and the use of other communications equipment, such as a pager, radio, or regular land line telephone is impractical.
3. Work-related personal safety and/or public safety can be enhanced by the use of a wireless communications.
4. The employee is designated as a "key person" or as "key personnel" and must be reachable via two-way voice and/or Email accessible at all times.
5. Field staff and Public Safety departments need for data connections to City networks.

Contract Term

The current contract term is through October 31, 2016.

Service Plans & Contract Pricing

The service plans under this contract are the same plans as those plans offered to all customers. The DES (WSCA) contract pricing is reflected in a (%) percent of discount to those plans. The percent of discounts are generally 22% off published plan pricing depending on the plan. If individual plan costs go down then so would the net cost to the City.

Funding

Budgeted from various funds as needed by using City Departments/Divisions.

Contract Usage

Below is the estimated annual contract usage by Department/Division, based on prior usage:

TPU Administration - \$3,753
 Tacoma Power - Smart Grid \$14,762
 Tacoma Power – Transmission & Distribution \$206,592
 TPU Fleet Services - \$1,615
 Tacoma Power - Generation - \$37,108
 TPU Energy Services - \$8,845
 Tacoma Power – Click! Network - \$45,271
 Tacoma Water - Distribution Operations - \$42,520
 Tacoma Rail - \$23,532
 TPU Customer Service - \$33,286

General Government (without Police & Fire) - \$61,988
 Tacoma Police Department - \$336,000
 Tacoma Fire (EMS) - \$41,868

Sustainability Factors

By utilizing the WSCA Contract the City is able to leverage the buying power of the fifteen (15) state WSCA cooperative which is a cost-effective and efficient means of obtaining quality products and services. The wireless voice and data services allow city staff to communicate when in the field or while away from their work station, which allows for more efficient use of staff time, efficient vehicle usage and can expedite needed City services. These wireless services are also used extensively by the Police and Fire Departments which enhance public safety services.



RESOLUTION NO. 38628

1 A RESOLUTION relating to the Department of Public Utilities, Water Division (d.b.a.
2 "Tacoma Water"); amending the Water Rate Policy by updating the title to
3 read "Water Rate and Financial Policy" and amending Section III of the
4 Policy to improve transparency to all stakeholders, facilitate responsible fund
5 management, and increase potential revenue stability.

6 WHEREAS, in 1993, pursuant to Public Utility Board ("Board")
7 Resolution U-8906, and City Council Resolution No. 32375, the Board and the City
8 Council approved the Water Rate Policy ("Policy") to provide future direction to the
9 Department of Public Utilities, Water Division (d.b.a. "Tacoma Water"), for short-
10 and long-term planning decisions and to ensure that reliable service is provided to
11 all customers at the lowest possible cost consistent with prudent utility
12 management; subsequent amendments were also approved, and

13 WHEREAS Tacoma Water is proposing the following amendments to the
14 Policy: (1) update the title to read "Water Rate and Financial Policy" to better
15 reflect the purpose of the document; (2) incorporate and formalize internal
16 minimum debt service coverage ratio requirements; (3) repurpose existing Water
17 Quality Assurance Funds A and B to create a Capital Reserve Fund to provide
18 flexibility and ensure timely acquisition, replacement, and upgrade of the Utility's
19 capital infrastructure; and (4) raise the fixed cost recovery limit from 60 percent to
20 65 percent of revenue requirements for customer classes with strong seasonal
21 consumption patterns, and
22

23 WHEREAS these proposed changes will provide capital funding flexibility
24 based on Tacoma Water's financial position, capital needs, and interest rate
25 environment, and
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

WHEREAS Tacoma Water and the Board believe it is in the best interest of the public to approve said amendment to the Policy; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the Water Rate Policy is hereby amended by updating the title to read "Water Rate and Financial Policy," and amending Section III of the Policy to improve transparency to all stakeholders, facilitate responsible fund management, and increase potential revenue stability, all as set forth in the attached Exhibit "A."

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Chief Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-10600



EXHIBIT "A"

(Attached Separately)

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26

TACOMA PUBLIC UTILITIES
TACOMA WATER

WATER RATE AND FINANCIAL POLICY

WITH 2014³ REVISION

Adopted by Public Utility Board Resolution U-10450 on February 23, 2011
Adopted by City Council Resolution 38215 on March 8, 2011

TACOMA PUBLIC UTILITIES
TACOMA WATER

TABLE OF CONTENTS

	<u>Page No.</u>
WATER RATE AND FINANCIAL POLICY	
I. Purpose	3
II. Guiding Objectives For Water Rate Decisions	3
A. Water Rates Should Ensure Adequate Supply	3
B. Water Rates Should Be As Low As Is Responsible .	3
C. Water Rates Shall Be Fair	3
D. Water Rates Should Be Stable and Understandable	3
E. Water Rates Should Be the Product Of Customer Involvement	3
III. Policies	3
A. Water Rates Should Ensure Adequate Supply	3
B. Water Rates Should Be As Low As Is Responsible .	4
C. Water Rates Shall Be Fair	6
D. Water Rates Should Be Stable and Understandable	7
E. Water Rates Should Be the Product Of Customer Involvement	8

TACOMA PUBLIC UTILITIES
TACOMA WATER

WATER RATE AND FINANCIAL POLICY

- I. PURPOSE: The Water Rate and Financial Policy gives direction to planning decisions and helps ensure that the Department of Public Utilities provides for an adequate supply of safe, clean water to all customers efficiently, reliably and at the lowest possible cost consistent with prudent utility management.

- II. GUIDING OBJECTIVES FOR WATER RATE DECISIONS
 - A. Water Rates Should Ensure Adequate Supply.
 - B. Water Rates Should Be As Low As Is Responsible.
 - C. Water Rates Shall Be Fair.
 - D. Water Rates Should Be Stable and Understandable.
 - E. Water Rates Should Be the Product of Customer Involvement.

- III. POLICIES
 - A. Water Rates Should Ensure Adequate Supply
 1. Water rates must be designed to adequately fund the acquisition of new resources and conservation consistent with local, state and federal laws and regulations and consistent with the responsibility of Tacoma Water as a regional purveyor for identified portions of Pierce and South King Counties as described in the Tacoma Second Diversion Water Right, Pierce Country Coordinated Water System Plan, Tacoma Water System Plan, Second Supply Agreement, and any other official planning document as appropriate.
 - 1A. Water rates must be designed to adequately fund the maintenance and replacement of existing infrastructure. The replacement life for any facility shall not exceed 100 years unless engineering analysis supports a longer life.

TACOMA PUBLIC UTILITIES
TACOMA WATER

2. Rate adjustments will be proposed in amounts sufficient to meet reasonable Tacoma Water budgets, while minimizing the long-run costs to the rate-payer. Since some actions such as supply development can influence the level of revenue needed over a period of years, staff will estimate both the short-run and long-run rate impacts of proposals presented to the Public Utility Board for consideration.
3. The revenue requirements analysis will study the projected revenue, expenses and capital improvements for the period to be covered by the rate change.
4. Modeling assumptions used in the estimation of water consumption and revenue for the rate review shall be based on average weather and precipitation as defined by the National Oceanic and Atmospheric Administration (NOAA).
5. Projected water consumption for the rate review process shall include effects of price and local economic and demographic conditions.
6. Water rates will be designed to promote conservation as a long-term resource that will extend the use of the existing source of supply.
7. Water rates will be adequate to maintain the quality of the environment and balance the needs of customers (including the personal, aesthetic, recreational, and business objectives of customers) with the preservation of sensitive ecosystems at the source of supply.
8. Water rates will support a reasonable plan for replacement of aging water supply, distribution and storage infrastructure.

B. Water Rates Should Be As Low As Is Responsible

- ~~1. Long-term major capital projects, such as development of sources of supply, will be financed primarily through debt.~~
- ~~2. Fifty percent of all renewal/replacement capital requirements will be financed through rate revenues. Additional revenue financing may be planned if rate adjustments do not exceed the rate of inflation. Any debt financing used shall not be for periods longer than the useful life of the capital project.~~

TACOMA PUBLIC UTILITIES
TACOMA WATER

1. Rate revenue, together with other revenue sources, will cover current costs and meet or exceed all bond and other requirements necessary to maintain financial sufficiency.
2. Tacoma Water will secure the least costly means of financing for capital improvement projects based on evaluation of the Utility's financial position and capital needs. Financing mechanisms may include the use of revenue funding, unallocated operating or capital reserves, low interest loans, revenue bond funding and other means as deemed prudent.
3. Senior Debt Service Coverage will be maintained above 150 percent, exceeding Tacoma Water's bond covenant requirement of 125 percent. All In Debt Service Coverage will be maintained above 125 percent.
34. Major capital investments and other commitments that would significantly affect costs, rates or prices for Tacoma Water services will be evaluated against costs and benefits and documented before commitments are made. Such evaluations will address both short- and long-term, as well as potential or uncertain, impacts on costs and revenues.
45. Rates shall be set at levels such that projected current fund (fund 4600) cash balances will be equal to 60 days of current budgeted expenditures. It is recognized, however, that seasonal fluctuations may cause balances to be below recommended levels, but rates should be set such that the minimum cash balance in any month does not drop more than 40 percent below the recommended level. Operating surpluses may be applied to the Operating Reserve, capital construction or the Capital Reserve Fund.
56. Tacoma Water will exercise responsible cost control of department administration and overhead expenses consistent with industry standards.
67. Tacoma Water maintains two types of special funds that provide capital funding for watershed protection purposes, resource development, and water system development flexibility in ensuring timely acquisition, replacement and upgrade of the Utility's capital infrastructure. Expenditures from these funds, subject to the limitations discussed below, may be used to offset the impact of rate increases.

TACOMA PUBLIC UTILITIES
TACOMA WATER

The ~~Water Assurance Funds (Water Quality and Resource Development)~~ Water Capital Reserve Fund can be budgeted on a biennial basis as revenues become available for appropriate capital projects ~~related to watershed protection and water quality, resource development, and system renewal.~~ A minimum balance of 1 percent of original cost plant-in-service will be maintained in the Fund.

The System Development Charge Fund is intended to provide capital funding for source development, transmission, storage, and related facilities. A minimum balance of \$2,000,000 will be maintained in the Fund to deal with unforeseen emergencies and contingencies, which would be authorized by separate Public Utilities Board approval.

78. A special contract water rate may be developed in lieu of a system development charge for short-term temporary facilities provided sufficient surplus water is available for the term of proposed use. The contract rate will reflect appropriate allowance for the term of the proposed use and inside/outside rate and system development charge differentials. For purposes of this policy, short-term will generally be considered to be less than five years.

C. Water Rates Shall Be Fair

1. Rates charged for each class of customer will be set to reflect the cost of supplying service to that class. Any exceptions to cost-of-service principles will be explicitly noted in this policy.
2. An embedded cost-of-service study will determine the cost of serving each customer class, allocation of class responsibility for the projected expenses, and proposed rates sufficient to recover projected expenses
3. A short-term market based rate may be considered for marketing surplus water to industrial or wholesale customers if such a rate would increase net revenue to the Utility and no other customer class would be adversely impacted.
4. Conformance with responsible water use standards will be encouraged by the use of rate design and/or special charges.
- 4A. A rate may be designed that would include an amount of water in the ready to serve charge.

TACOMA PUBLIC UTILITIES
TACOMA WATER

5. Incentives will be considered for construction and conversions incorporating water conservation measures.
6. A rate surcharge may be proposed under unusual conditions, such as a drought, to ensure adequate revenues.
7. A rate surcharge may be proposed to improve acquired water systems which do not meet current Tacoma Water standards. This surcharge will apply to the service area of the sub-standard system and be used solely for the purpose of bringing that system up to standard.
8. Rates for retail and wholesale customers located outside the corporate boundaries of the City of Tacoma will be 20 percent higher than rates for inside City customers.
9. The assignment of costs of existing water supply resources to customers will be based on how those resources are used to meet system demands at the time of the current rate study.
10. The assignment of costs for new resources will reflect the anticipated use characteristics of those resources in either supplying normal water flows or providing extra water during times of peak usage.
11. Rates for new or additional water demand in excess of 1 million gallons a day (MGD) within any 12-month period may be designed to recover up to the full additional source of supply costs, less credit for any system development charge paid. *The use of water efficient technology will be a key consideration in the application of this provision.*
12. New customer hook-ups and enlarged services will be charged at current cost of main extension, including the cost of mains, inspection fees, services, meters, and any necessary fire protection service. A system development charge will be imposed on new or expanded services and may include charges for additional source of supply, transmission, storage, and pumping facilities. Adequate provisions shall be made to permit those who develop new services to recover main extension costs from those who subsequently use those water mains.
13. Periodic checks of actual revenues collected should be compared to projected revenue requirements by class. If the collections are not within an appropriate range, demand projections will be reviewed.

TACOMA PUBLIC UTILITIES
TACOMA WATER

14. Inter-class revenue requirements adjustments significantly in excess of the system average may be allocated proportionately to the remaining customer classes. Subsequent increases for the subsidized class will be set appropriately until cost-of-service rates are reestablished.
15. A discounted water rate will be considered to help low-income/elderly and low-income/handicapped water customers.

D. Water Rates Should Be Stable and Understandable

1. To the extent possible, rate adjustments will not exceed general inflationary trends. Phased-in adjustments over a limited time period may be used for projects requiring a considerable change in rate levels.
2. The number of rate schedules will be minimized by combining customers of reasonably similar use and cost-of-service characteristics.
3. Each rate schedule will contain a monthly customer charge that will reflect, at a minimum, administrative and billing cost.
4. For revenue stability purposes, customer charges may be designed to recover up to ~~60~~65 percent of revenue requirements for customer classes with strong seasonal consumption patterns.
5. Regular reviews will be performed to determine the adequacy of rates, and a full revenue requirements study will be performed every two years.
6. Seasonal rate design may be used to promote conservation during periods of greatest consumption. The second tier of a seasonal rate may be set to reflect the marginal cost of supply for the Utility.

E. Water Rates Should Be the Product of Customer Involvement

1. Any decision to revise rate-making policies will be done in an orderly fashion and formalized by resolution.
2. The Public Utility Board must review the existing rate policy well in advance of consideration of each rate adjustment. Any proposed changes require formal Board and City Council resolutions.

TACOMA PUBLIC UTILITIES
TACOMA WATER

3. Tacoma Water will gather citizen input and provide information about its rate-making process. Any proposal to be discussed will be made available as far in advance of its public hearing as is practical.
4. If an emergency rate adjustment becomes necessary due to drought or other unforeseen conditions, the emergency nature of the rate surcharge (or rollback) may necessitate a recommendation to the City Council using a reduced public involvement schedule. Such an emergency adjustment shall be followed by a reevaluation of the change in accordance with the formal procedures outlined in this policy.
5. A professional rate expert may be hired to represent the interests of the residential class during the rate process.
6. The Utility staff will respond to requests from the Neighborhood Councils and other local organizations to the Community and Media Services section of the Utility and provide speakers to disseminate information on water rates, rate policy or rate assistance programs.
7. To the extent practicable, services and associated rates and fees will be designed to offer maximum choice and flexibility to meet customer needs and desires.



RESOLUTION NO. 38629

1 A RESOLUTION relating to the Department of Public Utilities, Light Division;
2 amending the Electric Rate and Financial Policy to include a new
3 Section V, entitled "Rate Stabilization Fund."

4 WHEREAS the City of Tacoma, Department of Public Utilities, Light
5 Division (d.b.a. "Tacoma Power"), desires to revise its Electric Rate and Financial
6 Policy ("Policy") by adding a new Section V, entitled "Rate Stabilization Fund,"
7 and

8 WHEREAS the proposed amendment is the result of a review of industry
9 accepted practice and discussions between the Public Utility Board and Tacoma
10 Power staff, and

11 WHEREAS the proposed amendment provides guidance on revenue
12 recognition and flow of funds consistent with bond ordinances; establishes that
13 revenue is recognized in the fiscal year of withdrawal and deducted from the
14 fiscal year of deposit into the fund; establishes that the deposit is only made after
15 all prior obligations are paid consistent with bond covenants, including gross
16 earnings taxes to the City; and specifies that deposits into the fund must not
17 cause financial ratios to go below planning minimum levels set out in the Policy,
18 and
19 and

20 WHEREAS Tacoma Power and the Utility Board believe it is in the best
21 interest of the public to approve said amendments to the Policy; Now, Therefore,
22
23
24
25
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proposed revisions to the Electric Rate and Financial Policy, as set forth in the proposed document on file in the office of the City Clerk, are hereby approved.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to Form:

Chief Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-10597



RESOLUTION NO. 38630

1 A RESOLUTION relating to the City's Commute Trip Reduction Program;
2 authorizing the execution of an agreement with Pierce Transit, in the net
3 amount of \$333,859.52, budgeted from the General Fund, for the purchase
4 of the One Regional Card for All (ORCA) Business Cards that will be part of
5 the City's Commute Trip Reduction Program for 2013.

6 WHEREAS, since 1996, the City has provided bus pass/van pool subsidies
7 for its employees as part of the Commute Trip Reduction ("CTR") Program, and

8 WHEREAS, in 2009, the previous bus pass/van pool payment system was
9 eliminated by regional transit and replaced by the One Regional Card for
10 All ("ORCA"), prompting the City to adopt Resolution No. 37965 on January 5,
11 2010, authorizing the purchase of ORCA business cards for City employees as part
12 of the CTR Program, and

13 WHEREAS the ORCA business card provides employees access to Pierce,
14 Metro, Kitsap, Everett, Community, and Sound Transit systems, including the
15 Sound Transit Link Light Rail, the Seattle Streetcar, and the Sounder; and also
16 provides for vanpool and van share services, and

17 WHEREAS, in 2011, there were approximately 985 employee bus/van pool
18 riders per month, and in 2012, approximately 935 employee bus/van pool riders per
19 month, and

20 WHEREAS the 2013 agreement, in the net amount of \$333,859.52, includes
21 a \$389,875.52 annual fee for ORCA Transit and Vanpool services and a credit of
22 \$56,016 for 100 cards as an offset for Pierce Transit rent, and
23
24
25
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

WHEREAS the total decrease of the 2013 agreement over the 2012 agreement is \$25,659.96, made up of a decrease in vanpools of \$14,529.96 and a decrease in value of 100 passes in the amount of \$11,130, and

WHEREAS Human Resources staff will continue the oversight of the CTR Program, and

WHEREAS each employee receiving an ORCA business card will be required to sign an agreement outlining use expectations and requirements; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to enter into an agreement with Pierce Transit, in the net amount of \$333,859.52, budgeted from the General Fund, for ORCA Business Cards and ORCA Business Passport products that will be part of the City's Commute Trip Reduction Program for 2013, said document to be substantially in the form of the proposed document on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



RESOLUTION NO. 38631

1 A RESOLUTION relating to the Youth Building Tacoma Project; authorizing the
2 execution of a contract with the Tacoma-Pierce County Employment and
3 Training Consortium, in the amount of \$650,210, budgeted from the Youth
4 Build Tacoma Fund, for the implementation of the Youth Building Tacoma
comprehensive job training and pre-apprenticeship program from January 1,
2013, to December 31, 2014.

5 WHEREAS, on September 16, 1997, the City Council passed
6 Ordinance No. 26128, which established the Youth Building Tacoma Training and
7 Employment Project ("Project") for the purpose of focusing resources to promote
8 the development of a trained workforce, and

9 WHEREAS the Project trains, places, and supports young adults ages
10 18 to 24 years, residing in the City of Tacoma, with an emphasis on participants
11 from the Renewal Community/Community Enterprise Zone, women, minorities,
12 those transitioning from welfare, and those with limited English-speaking abilities,
13 and
14

15 WHEREAS, due to the economic downturn, the Project has enhanced its
16 current eight-week classroom curriculum which develops employability skills by
17 extending the paid internships and providing additional training in construction
18 and sustainable/green-related careers, and
19

20 WHEREAS \$25,000 of additional funds will be used to contract with a
21 third-party firm to conduct an independent evaluation of the Project, and
22

23 WHEREAS the 2013-2014 Biennial Budget contains funding sufficient to
24 support the Project, and

25 WHEREAS the Project is jointly and equally funded by General Government
26 and Tacoma Public Utilities, and



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

WHEREAS, on January 30, 2013, the Tacoma Public Utility Board approved
a similar resolution to commit its resources to the Project, and

WHEREAS City staff recommends entering into a contract with the
Tacoma-Pierce County Employment and Training Consortium ("TPCETC") for
Project implementation, and

WHEREAS TPCETC will contribute approximately \$80,000 in in-kind
services per year under the recommended contract; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to execute an
agreement with the Tacoma-Pierce County Employment and Training Consortium,
in the amount of \$650,210, budgeted from the Youth Build Tacoma Fund, for the
implementation of the Youth Building Tacoma comprehensive job-training and pre-
apprenticeship program from January 1, 2013, to December 31, 2014, said
document to be substantially in the form of the proposed agreement on file in the
office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney