



Legislation Passed March 21, 2017

The Tacoma City Council, at its regular City Council meeting of March 21, 2017, 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. 39673

A resolution accepting 14 grants from the Freight Mobility Strategic Investment Board, Highway Safety Improvement Program, Puget Sound Regional Council, Washington State Department of Transportation, and the Washington State Transportation Improvement Board, in the total amount of \$25,296,455, depositing said sum into various Capital Project funds, for various Public Works projects, including roadways, pedestrian facilities, trails, bikeways, signal/crossing upgrades, and the Sound Transit Tacoma Link Extension Project.

[Chris E. Larson, P.E., Engineering Division Manager; Kurtis D. Kingsolver, P.E., Director, Public Works]

Resolution No. 39674

A resolution appointing and reappointing individuals to the Tacoma Area Commission on Disabilities.

[Doris Sorum, City Clerk; Bill Fosbre, Acting City Attorney]

Resolution No. 39675

A resolution awarding a contract to Puget Paving & Construction, Inc., in the amount of \$3,025.00, plus sales tax, plus a 15 percent contingency, for a total of \$3,478.75, and Tucci & Sons, Inc., in the amount of \$147,402.00, plus sales tax, plus a 15 percent contingency, for a total of \$169,512.30, for one-year periods, with the option to renew for four additional one-year periods, for projected contract totals of \$17,393.75 and \$847,561.50, respectively, for a total of \$864,955.25, budgeted from the Street Fund and the Streets Initiative Fund, for asphalt pre-coated crushed screening materials - Specification No. PW17-0017F.

[Rae Bailey, Street Operations Division Manager; Kurtis D. Kingsolver, P.E., Director, Public Works]

Resolution No. 39676

A resolution awarding a contract to SAP Public Services, Inc., in the amount of \$471,192, less a credit of \$75,000, plus sales tax, plus a 10 percent contingency, for a total of \$443,311, budgeted from the Information Systems Fund, for professional services to upgrade the City's SAP system to the SAP HANA technology platform - SAP Master Services Agreement.

[Kathy Vaughan, Information Technology Manager; Jack Kelanic, Director, Information Technology]

Resolution No. 39677

A resolution awarding a contract to World Wide Technology, Inc., in the amount of \$818,590, including sales tax, plus a 10 percent contingency, for a total of \$900,449, budgeted from the Information Systems Fund, for equipment and related installation services in support of the City's SAP system upgrade to the SAP HANA computing platform - various agreements, Washington State No. 05815-004.

[Kathy Vaughan, Information Technology Manager; Jack Kelanic, Director, Information Technology]

Resolution No. 39678

A resolution authorizing an increase to the contract with Northwest Cascade, Inc., in an amount not to exceed \$145,000.00, excluding sales tax, for a total of \$1,310,803.88, budgeted from the Streets Initiative Fund and the Wastewater Fund, for the Stormwater Sewer Extension Project and the Wastewater Sewer Replacement Project - Specification No. ES16-0061F.

[Geoffrey M. Smyth, P.E., Science and Engineering Division Manager; Michael P. Slevin III, P.E., Director, Environmental Services]

Resolution No. 39679

A resolution authorizing an increase to the contract with Albina Holdings, Inc., in the amount of \$900,000, plus sales tax, for a total of \$1,900,000, budgeted from the Streets Initiative Fund and the Street Fund, for asphalt oil used for surface treatments through August 17, 2019 - State of Washington Contract No. 01211.

[Rae Bailey, Street Operations Division Manager; Kurtis D. Kingsolver, P.E., Director, Public Works]

Resolution No. 39680

A resolution authorizing an increase to the contract with BCRA, Inc., in the amount of \$84,891.58, sales tax not applicable, for a total of \$793,011.28, budgeted from the Paths and Trails Fund, for Prairie Line Trail design and construction support - Specification No. PW13-0048F.

[Chris Storey, Project Manager; Kurtis D. Kingsolver, P.E., Director, Public Works]

Resolution No. 39681

A resolution ratifying and authorizing an increase to the contract with Verizon Wireless, in the amount of \$4,000,000, plus sales tax, for a total of \$7,400,000, budgeted from various departmental funds, for Citywide cell phone airtime and wireless data services and related equipment purchases, retroactive to October 4, 2016, through June 30, 2019 - Washington State Department of Enterprise Services NASPO Contract No. 06012.

[Patsy Best, Procurement and Payables Division Manager; Andy Cherullo, Director, Finance]

Resolution No. 39682

A resolution authorizing the execution of a Memorandum of Agreement (Funding Agreement) with Sound Transit, relating to the Joint City and Sound Transit Tacoma Link Expansion Project for light rail, and establishing the framework for the City's funding obligation for the Tacoma Link Expansion Project.

[Kurtis D. Kingsolver, P.E., Director, Public Works]

Resolution No. 39683

A resolution authorizing the execution of an agreement with South Sound Outreach Services, d.b.a. Sound Outreach, in the amount of \$331,876, budgeted from the Tacoma Training and Employment Program Fund, for case management and other supportive services, retroactive to January 1, 2017, through December 31, 2018. [Christopher Wright, Contract and Program Auditor; Nadia Chandler Hardy, Director, Neighborhood and Community Services]

Resolution No. 39684

A resolution authorizing the execution of Amendment No. 3 to the agreement with Gabriel Roeder Smith & Company, in the amount of \$100,000, budgeted from the Internal Service Fund, for a maximum contract amount of \$275,000, for continued evaluation of the City's current pension system, through December 31, 2019. [Andy Cherullo, Director, Finance]

Resolution No. 39685

A resolution requesting the Public Utility Board to initiate and approve proposed power rates that do not impose the entire potential rate increase into the customer charge for the residential and small general service rate classes, and instead propose an alternative that also increases the energy and demand charges to meet the utility revenue needs for these rate classes.

[Council Member Mello]

Ordinance No. 28413

An ordinance amending Chapter 12.10 of the Municipal Code, relating to Water - Regulations and Rates, for two rate adjustments effective April 1, 2017 and January 1, 2018, and approving changes to the Water Rates and Financial Policy. [Sean Senescall, Rates and Financial Planning Manager; Linda McCrea, Water Superintendent]

Ordinance No. 28415

An ordinance amending Chapter 12.01 of the Municipal Code, relating to Utility Charges, to clarify the authority of the Environmental Services and Public Utilities Directors to grant waivers and adjust late fees and charges.

[Bill Berry, Power Rates, Planning, and Analysis Manager; Chris Robinson, Power Superintendent]

Ordinance No. 28416

An ordinance amending Chapter 6A.100 of the Municipal Code, relating to Utilities Gross Earnings Tax - Public Utilities, to clarify that all street lighting rates and charges are deductible from the Gross Earnings Tax, and to eliminate the deduction from the Gross Earnings Tax for power sold to contract industrial customers when the rate collected is above the contract industrial rate in Chapter 12.06.

[Bill Berry, Power Rates, Planning, and Analysis Manager; Chris Robinson, Power Superintendent]



RESOLUTION NO. 39673

1 A RESOLUTION relating to public works projects; authorizing the acceptance of
2 14 grants, in the total amount of \$25,296,455, for deposit into various
3 Capital Project funds, to fund various Public Works projects, including
4 roadways, pedestrian facilities, trails, bikeways, signal/crossing upgrades,
5 and the Sound Transit Tacoma Link Extension Project

6 WHEREAS the City has aggressively applied for grants for numerous
7 infrastructure projects, and in 2016, 14 Public Works projects (“Projects”) were
8 selected to receive approximately \$20,000,000 in grant funds, and

9 WHEREAS a grant was also received for the Sound Transit Tacoma Link
10 Extension project, and is part of the City’s contribution to that project, and

11 WHEREAS these Projects will improve the safety and well-being of citizens
12 by rehabilitating roadways and providing pedestrian and bicycle facilities; adding
13 or upgrading ADA components; constructing trails; and upgrading traffic signals
14 and pedestrian crossings, and

15 WHEREAS the Projects identified in the attached Exhibit “A” have been
16 selected to receive grant funds, and

17 WHEREAS 11 of the Projects will require City matching funds, as follows:

18 (1) Port of Tacoma Road – Phase 2, in the amount of \$770,000, funded through
19 the Streets Initiative Fund; (2) Taylor Way – SR 509 to East 11th Street, in the
20 amount of \$220,000, funded through the Streets Initiative Fund; (3) Pipeline
21 Trail – Phase 2, in the amount of \$415,267, funded through the Streets Initiative
22 Fund; (4) East Portland Avenue Safety Improvements, in the amount of \$232,689,
23 funded through the Streets Initiative Fund; (5) South Tacoma Way Corridor Safety
24 Improvements, in the amount of \$145,883, funded through the Streets Initiative
25
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1 Fund; (6) Lincoln District Streetscape/Yakima "Festival" Street, in the amount of
2 \$168,000, funded through the Streets Initiative Fund; (7) South 56th Street –
3 Phase 2, in the amount of \$1,589,931, funded through the Streets Initiative Fund;
4 (8) Lister Elementary School Safe Routes to School, in the amount of \$85,000,
5 funded through the Streets Initiative Fund; (9) First Creek Middle School Safe
6 Routes to School, in the amount of \$65,000, funded through the Streets Initiative
7 Fund; (10) Fawcett Avenue: South 19th Street to South 21st Street, in the amount
8 of \$250,000, funded through the Streets Initiative Fund; and (11) South
9 Stevens/Tyler/66th Street Bike and Pedestrian Connector, in the amount of
10 \$237,460, funded through the Streets Initiative Fund; Now, Therefore,

11
12 **BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:**

13 Section 1. That the proper officers of the City are hereby authorized to
14 accept \$25,296,455 in federal fund grants, for deposit into various Capital Project
15 funds, to fund various Public Works projects, including roadways, pedestrian
16 facilities, trails, bikeways, signal/crossing upgrades, and the Sound Transit
17 Tacoma Link Extension Project, all as set forth in the attached Exhibit "A."

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19 Section 2. That the various programs and projects referred to in the
20 attached Exhibit "A" shall not be implemented or carried into effect until such time
21 as the same have been further reviewed, if necessary, by the appropriate officers
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1 and employees of the City and the making of such technical adjustments as may
2 be required to carry out such programs and projects.

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4 Adopted _____

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Mayor

7 Attest:

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City Clerk

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Approved as to form:

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Deputy City Attorney

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EXHIBIT "A"

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Project	Grantor/Amount	Description	City Match
Tacoma Link Expansion - Phase 1 Theatre District to MLK Jr. Way project PWK-00313	WSDOT Regional Mobility Grant Funds \$5,000,000	Funding toward Phase 1 of the Sound Transit Tacoma Link Extension project expanding Tacoma Link light rail from the existing Theater District Station in downtown Tacoma to MLK/Division Station in the Stadium Business District. The grant is part of the City's contribution as described in the Term Sheet Between the City of Tacoma and Sound Transit Regarding Partner Funding for the Tacoma Link Expansion Project.	\$0
Port of Tacoma Road - Phase 2 PWK-G0003	WA State Transportation Improvement Board (TIB) Grant \$325,000	Continued construction of the Port of Tacoma Roadway project to replace the failing asphalt pavement with concrete pavement designed to heavy haul corridor standards from Marshall Avenue to the SR509 Interchange. The initial project included improvements from East 11th Street to Marshall Avenue. A City match of \$770,000 is required and funded via the Streets Initiative Fund. The Port of Tacoma is also a funding partner contributing \$180,000.	\$770,000 Funded through Streets Initiative Fund
Taylor Way – SR 509 to East 11th Street PWK-G0021	Puget Sound Regional Council (PSRC) Grant \$1,384,300 Freight Mobility Strategic Investment Board (FMSIB) Grant \$2,500,000	Install cement concrete pavement and upgrade traffic signals, sidewalks, and streetlights and install intelligent transportation system along Taylor Way from SR 509 to East 11th Street. The project received two grants. Puget Sound Regional Council (PSRC) approved a \$1,384,300 grant for project design. A \$2.5M FMSIB grant was also received and will partially fund construction. A City match of \$220,000 is required for the FHWA grant and will be funded via the Streets Initiative Fund. The FMSIB grant does not require matching funds.	\$220,000 (PRSC match) Funded through the Streets Initiative Fund \$0 (FMSIB match)



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Project	Grantor/Amount	Description	City Match
South 56th Street - Phase 2 PWK-G0006	PSRC Grant \$6,955,729	Pavement rehabilitation between Washington and Tacoma Mall Boulevard, curb ramps, LED streetlights, and bike facilities and lanes on parallel route South 54th Street with north/south connections to transit centers and other improvements. The \$6,955,729 grant approved by PSRC will fund construction of the project. A City match of \$1,589,931 is required and will be funded via the Streets Initiative Fund.	\$1,589,931 Funded through the Streets Initiative Fund
Pipeline Trail - Phase 2 PWK-00220	PSRC Grant \$2,042,600	Construction of a 2.4 mile trail from Pipe Line Road at East 48th Street to East 25th Street at the Tacoma Dome Station. The project includes a shared use path between East 48th and East 40th Streets. Elements include a 12' wide asphalt surface, retaining wall, lighting, signage and improved street crossings. The \$2,042,600 grant approved by PSRC will fund construction of the project. A City match of \$415,267 is required and will be funded via the Streets Initiative Fund.	\$415,267 Funded through the Streets Initiative Fund
East Portland Avenue Safety Improvements (East 72nd Street to Puyallup Ave./ Ells Street) PWK-00NEW	Highway Safety Improvement Program (HSIP) Grant \$1,368,535	Construction of safety improvements along Portland Avenue, including signal system upgrades, flashing yellow arrow signal heads, countdown pedestrian signals and audible pedestrian push buttons; and improve signal timing, communication and coordination. A City match of \$232,689 is required and will be funded via the Streets Initiative Fund.	\$232,689 Funded through the Streets Initiative Fund
South Tacoma Way Corridor Safety Improvements between South M Street and East G Street PWK-00NEW	HSIP Grant \$923,930	Construction of safety improvements along South Tacoma Way, including signal system upgrades, flashing yellow arrow signal heads, countdown pedestrian signals and audible pedestrian push buttons; and improve signal timing, communication and coordination. A City match of \$145,883 is required and will be funded via the Streets Initiative Fund.	\$145,883 Funded through the Streets Initiative Fund



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Project	Grantor/Amo	Description	City Match
South 38th Street, South J Street to Fawcett Avenue, South 37th Street to South 39th Street (Lincoln District Streetscape/ Yakima "Festival" Street) CIP - 00036	TIB Grant \$1,413,179 TIB Complete Streets Grant \$250,000	Improvements to South 38th and South G Streets to address vehicle and pedestrian safety as well as current road and sidewalk conditions involve improvements to access, intersection geometry, multimodal facilities, traffic control, traffic operations, and condition. South Yakima Street between South 38th and South 39th Streets will be developed in a "Festival Street" complete streets concept. City match of \$168,000 is required for the \$1,447,000 TIB grant and will be funded via the Streets Initiative Fund. There is no match requirement for the TIB Complete Streets Grant. The Complete Streets Grant will be funded once City Council has approved a Complete Streets Ordinance, currently under draft.	\$168,000 (TIB Grant) Funded through the Streets Initiative Fund \$0 (TIB Complete Streets Grant)
Lister Elementary Safe Routes to Schools PWK-00712	WSDOT Safe Routes to Schools Grant (SRTS) \$450,115	Grant funding is pending 2017 state legislature budget approval. The project will improve pedestrian crossings, install school zone warning beacons and improving bus/parent access in front of school. The project will also provide safety education and increase enforcement. A City match of \$85,000 is required and will be funded via the Streets Initiative Fund.	\$85,000 Funded through the Streets Initiative Fund
First Creek Safe Routes to Schools PWK-00712	WSDOT SRTS \$318,885	Grant funding is pending 2017 state legislature budget approval. The project will improve student safety by installing a HAWK signal on Portland Avenue. The project will also provide safety education and increase enforcement. A City match of \$65,000 is required and will be funded via the Streets Initiative Fund.	\$65,000 Funded through the Streets Initiative Fund
Fawcett Avenue: South 19th to South 21st Street PWK-00NEW	WSDOT Pedestrian/ Bicycle Program \$1,013,290	Grant funding is pending 2017 state legislature budget approval. The project will construct crossing improvements at the intersection of South 21st and Fawcett Avenue. Pedestrian and bicycle improvements along Fawcett Avenue will also be constructed as part of this project. A City of Tacoma match of \$250,000 is required and will be funded via the Streets Initiative Fund.	\$250,000 Funded through the Streets Initiative Fund



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Project	Grantor/Amount	Description	City Match
South Stevens/ Tyler/66th Bike and Pedestrian Connector PWK-00NEW	WSDOT Pedestrian/ Bicycle Program \$1,350,892	Grant funding is pending 2017 state legislature budget approval. This project will link existing bikeways across the City by closing the gap on the Tyler/Stevens bikeway and adding an east/west bike connection along South 66th Street. The project also includes pedestrian improvements. A City of Tacoma match of \$237,460 is required and will be funded via the Streets Initiative Fund.	\$237,460 Funded through the Streets Initiative Fund



RESOLUTION NO. 39674

1 BY REQUEST OF COUNCIL MEMBERS BLOCKER, CAMPELL, AND LONERGAN

2 A RESOLUTION relating to committees, boards, and commissions; appointing and
3 reappointing individuals to the Tacoma Area Commission on Disabilities.

4 WHEREAS vacancies exist on the Tacoma Area Commission on
5 Disabilities, and

6 WHEREAS, at its meeting of February 23, 2017, the Community Vitality and
7 Safety Committee recommended the appointment and reappointment of individuals
8 to said commission, and

9 WHEREAS, pursuant to the City Charter Section 2.4 and the Rules,
10 Regulations, and Procedures of the City Council, the persons named on Exhibit "A"
11 have been nominated to serve on the Tacoma Area Commission on Disabilities;

12 Now, Therefore,

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

14 That those nominees to the Tacoma Area Commission on Disabilities, listed
15 on Exhibit "A" are hereby confirmed and appointed or reappointed as members of
16 such commission for such terms as are set forth on the attached Exhibit "A."
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18 Adopted _____

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20 Mayor

21 Attest:

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23 City Clerk

24 Approved as to form:

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26 Acting City Attorney



EXHIBIT "A"

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TACOMA AREA COMMISSION ON DISABILITIES

- Appointing **Lori Allison** to a three-year term to expire August 31, 2019.
- Appointing **Anthony Caldwell** to a three-year term to expire August 31, 2019.
- Appointing **Wandaya Terry** to a three-year term to expire August 31, 2019.
- Appointing **James Williams** to fill an unexpired term to expire August 31, 2018.
- Reappointing **Roxanne Miles** to a three-year term to expire August 31, 2019.



RESOLUTION NO. 39675

1 A RESOLUTION related to the purchase of materials, supplies or equipment, and
2 the furnishing of services; authorizing the execution of a contract with
3 Puget Paving & Construction, Inc., in the amount of \$3,025.00, plus sales
4 tax, plus a 15 percent contingency, for a cumulative total of \$3,478.75, and
5 with Tucci & Sons, Inc., in the amount of \$147,402.00, plus a 15 percent
6 contingency, for a cumulative total of \$169,512.30, for one-year periods,
7 with the option to renew said contracts for four additional one-year periods,
8 for projected contract totals of \$17,393.75 and \$847,561.50, respectively,
9 for a cumulative total of \$864,955.25, budgeted from the Street Fund and
10 the Streets Initiative Fund, for asphalt pre-coated crushed screening
11 materials, pursuant to Specification No. PW17-0017F.

12 WHEREAS the City has complied with all applicable laws and processes
13 governing the acquisition of those supplies, and/or the procurement of those
14 services, inclusive of public works, as is shown by the attached Exhibit "A,"
15 incorporated herein as though fully set forth, and

16 WHEREAS the Board of Contracts and Awards has concurred with the
17 recommendations for award as set forth in the attached Exhibit "A"; Now,
18 Therefore,

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

20 Section 1. That the Council of the City of Tacoma concurs with the
21 Board of Contracts and Awards to adopt the recommendations for award as set
22 forth in the attached Exhibit "A."

23 Section 2. That the proper officers of the City are hereby authorized to
24 enter into a contract with Puget Paving & Construction, Inc., in the amount of
25 \$3,025.00, plus sales tax, plus a 15 percent contingency, for a cumulative total of
26 \$3,478.75, and with Tucci & Sons, Inc., in the amount of \$147,402.00, for a
cumulative total of \$169,512.30, plus a 15 percent contingency, for one-year



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periods, with the option to renew said contracts for four additional one-year periods, for projected contract totals of \$17,393.75 and \$847,561.50, respectively, for a cumulative total of \$864,955.25, budgeted from the Street Fund and the Streets Initiative Fund, for asphalt pre-coated crushed screening materials, pursuant to Specification No. PW17-0017F, consistent with Exhibit "A."

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Acting City Attorney



RESOLUTION NO. 39676

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; authorizing the execution of a contract
3 with SAP Public Services, Inc., in the amount of \$471,192, less a credit
4 of \$75,000, plus sales tax, plus a 10 percent contingency, for a
5 cumulative total of \$443,311, budgeted from the Information Systems
Fund, for professional services to upgrade the City's SAP system to the
SAP HANA technology platform.

6 WHEREAS the City has complied with all applicable laws and processes
7 governing the acquisition of those supplies, and/or the procurement of those
8 services, inclusive of public works, as is shown by the attached Exhibit "A,"
9 incorporated herein as though fully set forth, and
10

11 WHEREAS the Board of Contracts and Awards has concurred with the
12 recommendation for award as set forth in the attached Exhibit "A"; Now,
13 Therefore,

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

15 Section 1. That the Council of the City of Tacoma concurs with the
16 Board of Contracts and Awards to adopt the recommendation for award as set
17 forth in the attached Exhibit "A."
18

19 Section 2. That the proper officers of the City are hereby authorized to
20 enter into a contract with SAP Public Services, Inc., in the amount of \$471,192,
21 less a credit of \$75,000, plus sales tax, plus a 10 percent contingency, for a
22 cumulative total of \$443,311, budgeted from the Information Systems Fund, for
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1 professional services to upgrade the City's SAP system to the SAP HANA
2 technology platform, consistent with Exhibit "A."

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4 Adopted _____

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Mayor

7 Attest:

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City Clerk

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11 Approved as to form:

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Acting City Attorney

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RESOLUTION NO. 39677

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; authorizing the execution of a contract
3 with World Wide Technology, Inc., in the amount of \$818,590, including
4 sales tax, plus a 10 percent contingency, for a cumulative total of
5 \$900,449, budgeted from the Information Systems Fund, for equipment
6 and related installation services in support of the City's SAP system
7 upgrade to the SAP HANA computing platform.

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

12 WHEREAS the Board of Contracts and Awards has concurred with the
13 recommendation for award as set forth in the attached Exhibit "A"; Now,
14 Therefore,

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

16 Section 1. That the Council of the City of Tacoma concurs with the
17 Board of Contracts and Awards to adopt the recommendation for award as set
18 forth in the attached Exhibit "A."

19 Section 2. That the proper officers of the City are hereby authorized to
20 enter into a contract with World Wide Technology, Inc., in the amount of
21 \$818,590, including sales tax, plus a 10 percent contingency, for a cumulative
22 total of \$900,449, budgeted from the Information Systems Fund, for equipment
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1 and related installation services in support of the City's SAP system upgrade to
2 the SAP HANA computing platform, consistent with Exhibit "A."

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4 Adopted _____

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6 _____
Mayor

7 Attest:

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City Clerk

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11 Approved as to form:

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Acting City Attorney

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RESOLUTION NO. 39678

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; authorizing the increase of Contract
3 No. 4600011826 with Northwest Cascade, Inc., in an amount not to
4 exceed \$145,000.00, excluding sales tax, for a cumulative total of
5 \$1,310,803.88, budgeted from the Streets Initiative Fund and Wastewater
6 Fund, for the Stormwater Sewer Extension Project and the Wastewater
7 Sewer Replacement Project, pursuant to Specification No. ES16-0061F.

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

12 WHEREAS the Board of Contracts and Awards has concurred with the
13 recommendation for award as set forth in the attached Exhibit "A"; Now,

14 Therefore,

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

16 Section 1. That the Council of the City of Tacoma concurs with the
17 Board of Contracts and Awards to adopt the recommendation for award as set
18 forth in the attached Exhibit "A."

19 Section 2. That the proper officers of the City are hereby authorized to
20 increase Contract No. 4600011826 with Northwest Cascade, Inc., in an amount
21 not to exceed \$145,000.00, excluding sales tax, for a cumulative total of
22 \$1,310,803.88, budgeted from the Streets Initiative Fund and Wastewater Fund,
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1 for the Stormwater Sewer Extension Project and the Wastewater Sewer
2 Replacement Project, pursuant to Specification No. ES16-0061F, consistent
3 with Exhibit "A."
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5 Adopted _____
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8 Mayor

9 Attest:
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11 City Clerk

12 Approved as to form:
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14 Acting City Attorney
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RESOLUTION NO. 39679

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; authorizing the increase of Contract
3 No. 46000009856 with Albina Holdings, Inc., in the amount of \$900,000,
4 plus sales tax, for a cumulative total of \$1,900,000, budgeted from the
5 Streets Initiative Fund and the Street Fund, for AC-15P asphalt oil used
6 for surface treatments, through August 17, 2019, pursuant to State of
7 Washington Contract No. 01211.

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

12 WHEREAS the Board of Contracts and Awards has concurred with the
13 recommendation for award as set forth in the attached Exhibit "A"; Now,

14 Therefore,

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

16 Section 1. That the Council of the City of Tacoma concurs with the
17 Board of Contracts and Awards to adopt the recommendation for award as set
18 forth in the attached Exhibit "A."

19 Section 2. That the proper officers of the City are hereby authorized to
20 increase Contract No. 46000009856 with Albina Holdings, Inc., in the amount of
21 \$900,000, plus sales tax, for a cumulative total of \$1,900,000, budgeted from
22 the Streets Initiative Fund and the Street Fund, for AC-15P asphalt oil used for
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1 surface treatments, through August 17, 2019, pursuant to State of Washington
2 Contract No. 01211, consistent with Exhibit "A."

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4 Adopted _____

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Mayor

7 Attest:

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City Clerk

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10 Approved as to form:

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Acting City Attorney

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RESOLUTION NO. 39680

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; authorizing the increase of Contract
3 No. 4600009754 with BCRA, Inc., in the amount of \$84,891.58, sales
4 tax not applicable, for a cumulative total of \$793,011.28, budgeted from
the Paths and Trails Fund, for Prairie Line Trail design and construction
support, pursuant to Specification No. PW13-0048F.

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

10 WHEREAS the Board of Contracts and Awards has concurred with the
11 recommendation for award as set forth in the attached Exhibit "A"; Now,
12 Therefore,

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

14 Section 1. That the Council of the City of Tacoma concurs with the
15 Board of Contracts and Awards to adopt the recommendation for award as set
16 forth in the attached Exhibit "A."
17

18 Section 2. That the proper officers of the City are hereby authorized to
19 increase Contract No. 4600009754 with BCRA, Inc., in the amount of \$84,891.58,
20 sales tax not applicable, for a cumulative total of \$793,011.28, budgeted from the
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1 Paths and Trails Fund, for Prairie Line Trail design and construction support,
2 pursuant to Specification No. PW13-0048F, consistent with Exhibit "A."

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4 Adopted _____

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Mayor

7 Attest:

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City Clerk

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10 Approved as to form:

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Acting City Attorney

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RESOLUTION NO. 39681

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; ratifying and authorizing the increase of
3 Contract No. 4600008751 with Verizon Wireless, in the amount of
4 \$4,000,000, for a cumulative total of \$7,400,000, plus sales tax, budgeted
5 from various departmental funds, for Citywide cell phone airtime and
6 wireless data services, and related equipment purchases, retroactive to
7 October 4, 2016, through June 30, 2019, pursuant to Washington State
8 Department of Enterprise Services NASPO Contract No. 06012.

9 WHEREAS the City has complied with all applicable laws and processes
10 governing the acquisition of those supplies, and/or the procurement of those
11 services, inclusive of public works, as is shown by the attached Exhibit "A,"
12 incorporated herein as though fully set forth, and

13 WHEREAS the Board of Contracts and Awards has concurred with the
14 recommendation for award as set forth in the attached Exhibit "A"; Now,
15 Therefore,

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

17 Section 1. That the Council of the City of Tacoma concurs with the
18 Board of Contracts and Awards to adopt the recommendation for award as set
19 forth in the attached Exhibit "A."

20 Section 2. That the proper officers of the City are hereby authorized to
21 ratify and increase Contract No. 4600008751 with Verizon Wireless, in the
22 amount of \$4,000,000, for a cumulative total of \$7,400,000, plus sales tax,
23 budgeted from various departmental funds, for Citywide cell phone airtime and
24 wireless data services, and related equipment purchases, retroactive to
25 October 4, 2016, through June 30, 2019, pursuant to Washington State
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1 Department of Enterprise Services NASPO Contract No. 06012, consistent with

2 Exhibit "A."

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4 Adopted _____

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Mayor

7 Attest:

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City Clerk

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11 Approved as to form:

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13 _____
Acting City Attorney

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RESOLUTION NO. 39682

1 A RESOLUTION relating to transportation; authorizing the execution of a
2 Memorandum of Agreement (“Funding Agreement”) with Sound Transit,
3 relating to the Joint City and Sound Transit Tacoma Link Expansion project
4 for light rail; establishing the framework for the City’s funding obligation for
5 the Tacoma Link Expansion project.

6 WHEREAS, in 2008, the Central Puget Sound region’s voters approved
7 the Sound Transit 2 Plan (“ST2”), with substantial extensions of Link light rail
8 throughout the region, including funding for a partnership to expand Tacoma Link
9 Light Rail through construction of the Tacoma Link Expansion Project (“TLE
10 Project”), and

11 WHEREAS the TLE Project will provide for a 2.4 mile expansion of the
12 existing 1.6 mile Tacoma Link that will continue service from the Theater District
13 Station to the North Downtown, Stadium, and Hilltop Districts with six new stations
14 and one relocated station, along with an expanded maintenance facility, and

15 WHEREAS the TLE Project is a partnership between Sound Transit, the
16 City, and the Federal Transit Administration for the purpose of the improving
17 mobility and access to the regional transit system for Tacoma residents,
18 employees, and visitors by connecting the existing Tacoma Link system with
19 additional major activity centers and destinations within the City, and

20 WHEREAS, in addition to substantial federal funding, ST2 requires local
21 partnership project funding for the TLE Project, and

22 WHEREAS the City has been working cooperatively with Sound Transit to
23 identify additional partner funding sources as required in the ST2 Plan, including
24 applying for and accepting a \$15 million USDOT Transportation Investment
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Generating Economic Recovery (“TIGER”) grant agreement; applying for and accepting a \$5 million State Regional Mobility Grant; and developing a Term Sheet with Sound Transit, setting forth the City’s intent to provide local partner funding, and

WHEREAS City and Sound Transit staff have completed negotiation of the proposed memorandum of agreement (“Funding Agreement”) in accordance with the principles and framework set forth in the Term Sheet, and

WHEREAS the proposed Funding Agreement memorializes the cooperative relationship between Sound Transit and the City, establishes a Policy Committee, Steering Committee and Technical Advisory Committee to implement project coordination, and establishes the funding commitments from Sound Transit and the City for the TLE Project, and

WHEREAS the current estimated cost of the TLE Project is \$175 million, and

WHEREAS, if the Funding Agreement is approved, the City’s base funding obligation for the TLE Project will be \$43.3 million, which amount will increase or decrease by a factor of 4/9ths of any subsequent increase or decrease in total project costs, and

WHEREAS the Funding Agreement provides that the City can satisfy its funding obligation in part through grants, currently valued at \$33 million, and in-kind services, and



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WHEREAS the City Council finds that it is in the best interest of the public

health, safety and welfare, that the Funding Agreement be approved; 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 the Memorandum of Agreement (“Funding Agreement”) with Sound Transit, relating to the Joint City and Sound Transit Tacoma Link Expansion project for light rail, establishing the framework for the City’s funding obligation for the Tacoma Link Expansion project, said document to be substantially in the form of the agreement on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Chief Deputy City Attorney



RESOLUTION NO. 39683

1 A RESOLUTION relating to the Tacoma Training and Employment Program;
2 authorizing the execution of an agreement with South Sound Outreach
3 Services, d.b.a. Sound Outreach, in the amount of \$331,876, budgeted
4 from the Tacoma Training and Employment Program Fund, for case
5 management and other support services relating to the Tacoma Training
6 and Employment Program, for the period of January 1, 2017, through
7 December 31, 2018.

8 WHEREAS the Tacoma Training and Employment Program ("Program")
9 focuses resources to promote the development of a trained workforce, particularly
10 in the building and construction trades and technical and career fields, and
11

12 WHEREAS key components of the Program are employment readiness
13 training, case management services, participant support services, participation in
14 a pre-apprenticeship training program ("TOOL Center"), job placement assistance,
15 and third-party evaluation, and
16

17 WHEREAS recruitment efforts focus on, but are not limited to, young
18 adults, ages 18-24, who are residents of the Lincoln District and Community
19 Empowerment Zone, women, minorities, those transitioning from public benefits,
20 those with limited English-speaking abilities, and young adults involved in other
21 City-funded programs or initiatives, and
22

23 WHEREAS, as part of the TTEP collaboration, South Sound Outreach
24 Services, d.b.a. Sound Outreach ("Sound Outreach"), will provide case
25 management and other support services to participants on an as-needed basis,
26 including assistance with acquiring tools, clothing, and transportation; and will
provide drug screening prior to participants' being admitted to TOOL Center



training, as well employment coaching and financial empowerment services post-
1 TOOL Center completion, and

2 WHEREAS staff is recommending approval of the proposed agreement
3 with Sound Outreach, in the amount of \$331,876, budgeted from the Tacoma
4 Training and Employment Program Fund, to perform said services for the period
5 of January 1, 2017, through December 31, 2018; Now, Therefore,

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

8 That the proper officers are hereby authorized to execute an agreement
9 with South Sound Outreach Services, d.b.a. Sound Outreach, in the amount of
10 \$331,876, budgeted from the Tacoma Training and Employment Program Fund,
11 for case management and other support services relating to the Tacoma Training
12 and Employment Program, for the period of January 1, 2017, through
13 December 31, 2018, said agreement to be substantially in the form of the
14 document on file in the office of the City Clerk.

17 Adopted _____

19 _____
20 Mayor

21 Attest:
22 _____
23 City Clerk

24 Approved as to form:
25 _____
26 Deputy City Attorney



RESOLUTION NO. 39684

1 A RESOLUTION relating to the Tacoma Employees' Retirement System;
2 authorizing the execution of Amendment No. 3 to the agreement with
3 Gabriel Roeder Smith & Company, in the amount of \$100,000, budgeted
4 from the Internal Service Fund, for a maximum contract amount of
5 \$275,000, and to extend the agreement through December 31, 2019, to
6 allow GRS to continue its evaluation of the City's current pension system.

7 WHEREAS the City created its pension system, the Tacoma Employees'
8 Retirement System ("TERS"), in 1941, and has not performed a review of the
9 system since that time, and

10 WHEREAS, in 2013, the Government Performance and Finance Committee
11 directed then-City Manager T.C. Broadnax to initiate a study on the long-term
12 sustainability of TERS, and

13 WHEREAS a Pension Workgroup was formed for this purpose, consisting of
14 the Human Resources Director, Finance Director, and Deputy Director of Tacoma
15 Public Utilities, with support provided by the TERS Director, and, as part of the
16 evaluation process, staff competitively bid and selected Gabriel Roeder Smith &
17 Company ("GRS") to assist with this work, and

18 WHEREAS the Pension Workgroup has been working with GRS since 2013
19 to evaluate the current TERS system and examine alternative design options, and

20 WHEREAS it is necessary to amend the agreement in the amount of
21 \$100,000, budgeted from the Internal Service Fund, for a maximum contract
22 amount of \$275,000, and further, to extend the agreement through December 31,
23 2019, to allow GRS to continue its evaluation of TERS; Now, Therefore,
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BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

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That the proper officers are hereby authorized to execute Amendment No. 3 to the agreement with Gabriel Roeder Smith & Company, in the amount of \$100,000, budgeted from the Internal Service Fund, for a maximum contract amount of \$275,000, and further, to extend the agreement through December 31, 2019, to allow GRS to continue its evaluation of the Tacoma Employees' Retirement System, said amendment to be substantially in the form of the document on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



RESOLUTION NO. 39685

1 BY REQUEST OF COUNCIL MEMBERS CAMPBELL, IBSEN, AND MELLO

2 A RESOLUTION requesting the Public Utility Board to propose power rates that
3 do not impose the entire potential rate increase into the customer charge
4 for the residential and small general service rate classes, and instead
5 propose an alternative that also increases the energy and demand charges
6 to meet the utility revenue needs for these rate classes.

7 WHEREAS, in April 2015, the City of Tacoma, Department of Public
8 Utilities, Power Division (d.b.a. "Tacoma Power") effectively doubled the customer
9 charge for residential customers from \$5.50 to \$10.50, and for small general
10 service customers from \$9.00 to \$19.00, while not increasing the high voltage
11 general service or contract industrial customer charges, and

12 WHEREAS the customer charge was intended to represent the costs to
13 Tacoma Power related to setting up a new customer account, reading the electric
14 meter, and billing for services, and

15 WHEREAS Tacoma Power is requesting, under its current rate proposal set
16 forth in Ordinance No. 28414, that the customer charge for the residential class be
17 increased to \$22.00, which represents a 300 percent increase over the former rate
18 of \$5.50 charged in 2015, with a similar percentage increase for the small general
19 service rate class, and

20 WHEREAS Tacoma Power justifies this massive proposed increase to the
21 customer charge by including in this charge a portion of its fixed electric distribution
22 costs, which have historically been part of the energy and delivery/demand
23 volumetric components of its rates, and
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WHEREAS moving the fixed electric distribution costs into the customer charge will potentially result in a disincentive for customers to conserve energy, as they must pay the customer charge regardless of how much energy is used, and

WHEREAS increasing the customer charge will adversely impact customers who use low amounts of energy, and essentially force these customers to subsidize the costs of high energy or inefficient users of energy, and

WHEREAS increasing the customer charge will negatively impact certain low-income customers who have been able to mitigate increases to their power bills by reducing energy use, and

WHEREAS increasing the customer charge also provides a disincentive to individual customers who desire to add renewable alternative energy resources to the City's electrical system, and

WHEREAS Tacoma Power obtains approximately 50 percent of its required energy to serve customers from the Bonneville Power Administration, which is expected to raise rates for energy and delivery (transmission charges) significantly in the fall of 2017; however, Tacoma Power is not requesting an increase to the energy and delivery volumetric components of its residential and small general service rate classes, thereby further relying on the fixed customer charge to cover Tacoma Power expenses for these rate classes, and

WHEREAS the current Electric Rates and Financial Policy, approved by the Public Utility Board and City Council, provides for the following objectives when setting rates:



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A. Serving Customer Needs in a Competitive Electric Industry. Tacoma Power services, including rates and prices for those services, will be designed to meet customer needs and respond to increasing competition in the electric utility industry. Tacoma Power will seek to both unbundle and offer a greater variety of services to its customers who desire to make more of their own choices. Services or rates designed to meet the needs of one group of customers will be accomplished without negative impacts to other Tacoma Power customers.

B. Recovery of Tacoma Power Costs. Costs that Tacoma Power incurs to provide services will be recovered through the rates and prices it charges to its customers.

C. Cost Analysis for Tacoma Power Services. Regular reviews will be performed to determine the adequacy of rates, and a full revenue requirements study will be performed every two years. To the extent practicable, short-run and long-run costs will be identified for all Tacoma Power services, including services provided at cost-based rates and services sold at flexible or market-based prices.

D. Review of Major Commitments. Capital investments and other commitments that would significantly affect costs, rates or prices for Tacoma Power services will be evaluated and documented before commitments are made. Such evaluations will address known, as well as potential or uncertain, incremental impacts on costs and revenues. Impacts on Tacoma Power competitiveness will also be assessed.



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E. Cost-Based Rates. Rates charged to each class of customer will generally be set to reflect the costs of providing their service. This includes any taxes levied by the various jurisdictions that Tacoma Power serves.

F. Exceptions to Cost-Based Rates. Exceptions to cost-based rates for Tacoma Power services will be made only in circumstances where customers have access to competing providers for the service, or as otherwise authorized by the Public Utility Board.

G. Low-Income Customers. The needs of low-income electric customers will be considered when establishing rate levels.

H. Electric Rate & Financial Policy Revisions. Any decision to revise electric rate or financial policies will be done in an orderly fashion and formalized by resolution.

I. Public Involvement. Tacoma Power will provide information and gather citizen input to its rate setting process, and

WHEREAS the Electrical Rates and Financial Policy defines “Customer Charge” as follows: “An amount to be paid periodically by a customer for electric service that reflects specific customer-related costs incurred for metering, meter reading, billings, etc., exclusive of demand or energy consumption, traceable to the type and number of customers, and not varying with the volume of metered sales,” and

WHEREAS the change to incorporate fixed electric distribution costs historically collected through the volumetric demand and energy charges into the



customer charges represents a significant policy change from how rates and charges have been developed using the Electrical Rates and Financial Policy, and

WHEREAS Tacoma Power has not requested that the Public Utility Board and City Council change the Electric Rates and Financial Policy to represent this significant change to the calculation of the customer charge, and

WHEREAS the Public Utility Board and City Council have received extensive feedback from customers and stakeholders of Tacoma Power in opposition to imposing the entire proposed rate increase into the customer charge for residential and small general service rate classes, and

WHEREAS the City Council is persuaded that imposing the entire proposed rate increase into the customer charge for these two rate classes will adversely affect low-energy users, low-income customers, and individual customers desiring to add alternative renewable energy sources to the City's electrical system, and

WHEREAS Section 4.11 of the Tacoma City Charter requires all matters related to the fixing of rates and charges for utility services be initiated by the Public Utility Board and approved by the City Council, and

WHEREAS the City Council believes it is in the best interests of the citizens of Tacoma and the customers of Tacoma Power that Tacoma Power not impose the entire potential rate increase into the customer charge for the residential and small general service rate classes, and instead propose an alternative that also increases the energy and demand charges to meet the utility revenue needs for these rate classes; Now Therefore;



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

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That the City Council hereby requests the Public Utility Board to initiate and approve proposed power rates that do not impose the entire potential rate increase into the customer charge for the residential and small general service rate classes, and instead propose an alternative that also increases the energy and demand charges to meet the utility revenue needs for these rate classes.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Acting City Attorney



ORDINANCE NO. 28413

1 AN ORDINANCE relating to the City's Department of Public Utilities, Water
2 Division, d.b.a. Tacoma Water; amending Chapter 12.10 of the Tacoma
3 Municipal Code by amending Sections 12.10.020, 12.10.050, 12.10.220,
4 12.10.301, 12.10.303, 12.10.310, and 12.10.400 thereof, regarding water
5 rates and fees; and approving changes to the Water Rate and Financial
6 Policy.

7 WHEREAS the City of Tacoma, Department of Public Utilities, Water
8 Division (d.b.a. "Tacoma Water") revenue requirements analysis for the 24-month
9 rate period of January 1, 2017, through December 31, 2018, indicates a revenue
10 shortfall of approximately \$7.94 million due to declining wholesale and retail
11 revenues, increasing assessments and taxes, debt service payments, and
12 personnel costs, and

13 WHEREAS Tacoma Water is requesting approval for a two-step system
14 average rate increase of 4 percent effective April 1, 2017 (step one), and an
15 average rate increase of 4 percent effective January 1, 2018 (step two), to
16 generate projected revenue requirements for utility operations, and

17 WHEREAS Tacoma Water is recommending additional changes to
18 Chapter 12.10 of the Tacoma Municipal Code ("TMC"), as follows:

19 (1) Add language incorporating current practices concerning how notice will
20 be provided to inform customers of a failure to comply with cross connection
21 control requirements; (2) provide customers a minimum of 14 calendar days to
22 comply with Division requirements prior to the imposition of a civil penalty;
23 (3) change the term RockTenn (now WestRock) to "Pulp Mill" to avoid future
24 amendments in the event of a corporate name change; (4) remove "Public
25
26



Facilities” as a rate class, as this class has no current rates or customers within it;

1 (5) add a Parks and Irrigation ready-to-serve charge to reduce the fixed portion of
2 the bill for parks and irrigation customers while raising their variable charge;

3 (6) standardize the residential rate tiers to match current billing nomenclature
4 provided to customers (Winter Tier, Summer Tier 1, and Summer Tier 2);

5 (7) remove rate class differences between franchise areas and other outside City
6 customers as previously approved under the 2015-2016 rate changes; and

7 (8) revise language in the wholesale section (B1) to be consistent with the rate
8 policy, to include the option of market-based agreements, and
9

10
11 WHEREAS Tacoma Water is recommending changes to its Water Rate and
12 Financial Policy, as follows:

13 (1) Remove redundant text regarding replacement life and funding in
14 Section A.1.a, as this is explained in more detail in Section A.2; (2) match policy
15 language to current standards in forecasting to ensure the forecast is up to industry
16 standards, but allows flexibility in what data or methods are utilized (Section A.4
17 and A.5); and (3) remove the Parks and Irrigation customer class (Section D.3) to
18 align with rate design, and
19

20 WHEREAS, pursuant to Tacoma City Charter Section 4.11, revisions to
21 Tacoma Water rates and regulations and the Water Rate and Financial Policy
22 require approval by the Public Utility Board and City Council, and
23

24 WHEREAS a public hearing was held on this matter by the Public Utility
25 Board (“Board”) on February 8, 2017, and the Board approved the recommended
26 changes at its regular meeting held on February 22, 2017, and



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WHEREAS the recommended changes to the rates, regulations and policies are just, fair, and reasonable, and are in the best interest of the citizens of Tacoma and the customers of Tacoma Water; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That Chapter 12.10 of the Tacoma Municipal Code is hereby amended by amending Sections 12.10.020, 12.10.050, 12.10.220, 12.10.301, 12.10.303, 12.10.310, and 12.10.400 thereof, as set forth in the attached Exhibit "A."

Section 2. That the proposed revisions to the Water Rate and Financial Policy, as set forth in the attached Exhibit "B," are hereby approved.

Passed _____

Mayor

Attest:

City Clerk

Approved as to Form:

Acting City Attorney

Requested by Public Utility Board
Resolution No. U-10910

EXHIBIT “A”

Chapter 12.10

WATER - REGULATIONS AND RATES

12.10.020 Definitions.

For purposes of this chapter, the following words or phrases shall have the meaning set forth [hereinbelowherein below](#):

“Actual cost” or “cost” of any work performed for any person or other agency or City department by the Division includes the direct cost of all labor plus fringe benefits, the direct cost of all materials plus materials overhead, the direct cost of equipment used in connection with the work, all other direct costs incurred in connection with the work, plus administrative and supervisory cost.

“Accessory dwelling unit” refers to a second subordinate dwelling added to a single-family dwelling on a single parcel of property with provisions for independent cooking, living, sanitation, and sleeping.

“Assessable unit of frontage” is defined as set forth in Chapter 35.44 of the Revised Code of Washington (or as amended).

“Authorized deposit waiver” means an approved option for residential and commercial customers to waive paying a deposit, which is normally required for electric, water, and/or commercial solid waste customers who do not meet the established criteria, as defined in the Tacoma Public Utilities Customer Service Policies. Waiver options are available for home or property owners; customers who are purchasing the property and/or home; and customers who are renting, leasing, or leasing with an option to purchase the property.

“Board” means the Public Utility Board of the Department of Public Utilities of the City of Tacoma. “CCF” means 100 cubic feet of water (one unit or approximately 748 gallons).

“City” means the City of Tacoma.

“Commercial service” means water service to a business or businesses engaged in the manufacture and/or sale of a commodity or commodities, or the rendering of a service, including hotels, motels, hospitals, and schools.

“Contract business partner” refers to the person or persons who have sole financial responsibility with the City. “Council” means the City Council of the City of Tacoma.

“County” means the county in which service is being provided.

“Cross connection” is any actual or potential physical connection between a public water system or the consumer’s water system and any source of non-potable liquid, solid, or gas that could contaminate the potable water supply by backflow.

“Customer” means all persons obtaining water service from the Division.

“Customer Service Policies” means the Customer Service Policies for the Division, as may be amended. “Director” means the Director of the Department of Public Utilities of the City of Tacoma.

“Division” means the Water Division of the Department of Public Utilities of the City of Tacoma, and may also include the Department of Public Utilities.

“Fraud” means any act to deceive or defraud the Division including, but not limited to, false identity, failure to provide verifiable identification or obtaining water service and not making appropriate payments for said service.

“Frontage” refers to “frontage of property served” and shall mean the front footage of property to be served, or the short buildable side (50 LF minimum) abutting the water main. For properties not abutting the main, it shall mean the shortest buildable side (50 LF minimum).

“Industrial service” means water service to a business enterprise engaged in the manufacture of products, materials, equipment, machinery, and supplies on a substantial or major scale.

“Multiple dwelling units” means residential duplexes, triplexes, fourplexes, apartment buildings, condominiums, mobile home parks, trailer courts, or similar types of multiple dwelling unit arrangements on one parcel of land.

“Parks and irrigation service” means water service to a public park or irrigation customer with seasonal use for recreational, landscaping, and horticultural purposes or other similar uses. Irrigation shall include outdoor residential and commercial sprinkler services.

“Person” means all persons and all private and public entities, including districts, cities, towns, counties, and political subdivisions of the state, Native American tribes, partnerships, and corporations, whether acting by themselves or by a servant, agent, or employee. The singular number shall be held and construed to include the plural and the masculine pronoun to include the feminine.

“Premises” means public or private property, home, building, apartment house, condominium, trailer court, mobile home park, a group of adjacent buildings utilized under one ownership on one parcel of property and under a single control with respect to use of water and responsibility for payment therefor.

“Regular working hours” means 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding City holidays.

“Residential service” means water service to a single-family or multi-family dwelling using water for domestic use, or a single-family dwelling permitted to operate a business on the same premises.

“Service installation” means all piping and fittings from the main to and including the water meter assembly. All piping beyond the meter assembly is the customer's responsibility and is not considered a part of the service installation.

“Superintendent” means the Superintendent of the Water Division of the Department of Public Utilities of the City of Tacoma.

“System” means all water source, supply, and quality facilities, transmission pipelines and storage facilities, pumping plants, distribution mains and appurtenances, vehicles, and materials storage facilities.

“Tampering” means to alter, hinder, or obstruct the operation or maintenance of any water facility(ies) and/or their appurtenance(s), or failure to take reasonable care when operating any water facility(ies) and/or their appurtenance(s).

“Temporary water service” means water service obtained from a water main not abutting the parcel served or from a transmission or supply pipeline, or any main 2” or less in diameter.

“Treasurer” means the City Treasurer of the City of Tacoma.

* * *

12.10.050 Establishment of service account and request for turn-on.

A turn-on charge, as set forth in Chapter 12.01 of this code, will establish a service account.

The customer shall be responsible for all charges on the account. The account shall remain active and accrue charges until the customer notifies the Department's Customer Service Section to close or turn off the ~~account~~meter or account, unless the account is delinquent. Water surcharge accounts and fire service accounts cannot be closed without Water Division authorization.

The person establishing a water service account shall be required to make a cash deposit or meet one of the authorized deposit waiver options with the City Treasurer as set under Utility Board resolution. Such deposit may be applied upon delinquent bills owed the City Division and shall be applied to that portion first incurred. A change in the amount of the deposit or security may be required of any customer who changes his or her status of service. The acceptance of a cash deposit or security by the City shall not constitute a bar to the enforcement of the City's lien or termination rights.

* * *

12.10.220 Cross connections.

The installation or maintenance of any uncontrolled cross connection that may endanger the quality of the public water supply of the City is prohibited. Any such cross connection now existing or hereafter installed is hereby declared unlawful and shall be abated immediately. The control and/or elimination of cross connections shall be

in accordance with the applicable sections of the Washington Administrative Code (“WAC”) the Tacoma Municipal Code, and the Policies and/or procedures approved by the Division. Failure to comply with Division cross connection control requirements may result in a penalty of \$100 per occurrence, installation of an approved backflow prevention assembly at the water meter at the expense of the customer, and/or termination of water service. For purposes of this section, an occurrence is defined as failure to install, test, repair, and/or replace a required backflow prevention assembly upon written notification by the Division ~~delivered by hand or registered mail~~. Responsibility for backflow assembly testing and payment of all penalties and/or fees are the responsibility of the customer receiving the water service per the Division’s utility account billing information. These penalties are intended for remedial purposes.

1. Application of civil penalties may be repeated until compliance is achieved up to a maximum of five penalties.

2. The Customer shall be given written notification by the Division:

a. Prepared and sent by first-class mail to the Person receiving the water service per the Division’s utility account billing information; or

b. Personally served upon the Person receiving the water service per the Division’s utility account billing information; or

c. Posting of the written notice on the Parcel in a conspicuous manner which is likely to be discovered.;

3. The Customer shall be given a minimum of 14 calendar days to respond or comply with Division requirements prior to each penalty.

The Division will assign a test due date for each backflow prevention assembly and will make every effort to provide notice to the customer of the testing due date. Annual backflow assembly testing will be required by the Division established due date regardless of the actual date previous tests were performed.

12.10.301 Fire hydrant services fee (inside City of Tacoma).

Pursuant to Chapter 70.315 of the Revised Code of Washington, the Water Division will charge and collect all costs associated with providing fire hydrant services inside the City of Tacoma from the City of Tacoma general government and the customers, “Residential Service,” “Commercial and Industrial – General Service,” and “Commercial and Industrial – Large Volume Service” rate categories, located inside the City following the rate schedules below:

Monthly Hydrant Service Fee		
	Commencing	
	4/1/15	1/1/16
City of Tacoma General Government	\$134.67 per hydrant located inside the city limits of Tacoma.	\$0.00

~~The City of Tacoma General Government portion of the fire hydrant service fee shall be calculated on a per-hydrant basis and invoiced and collected monthly, and the General Government portion of the fee will terminate effective January 1, 2016.~~

Monthly Hydrant Service Fee		
	Commencing	
	4/1/1517	1/1/1618
Inside City of Tacoma Customer	\$1.11 \$2.38	\$2.24 \$2.54

The inside City of Tacoma customer portion of the fire hydrant service fee shall be calculated on a monthly basis, invoiced and collected pursuant to the applicable customer service policies.

12.10.303 Franchise hydrant service fee.

Pursuant to the Washington State Supreme Court decision in City of Tacoma v. City of Bonney Lake, 173 Wn.2d 584 (2012) and Chapter 70.315 of the Revised Code of Washington, all costs associated with providing fire hydrant services in areas served through franchise agreements or other contract shall be charged and collected from ratepayers in these areas as a cost of doing business. Only those customers in the “Residential Service,” “Commercial and Industrial – General Service,” and “Commercial and Industrial – Large Volume Service” rate categories will be charged for these services. The total costs owed shall be calculated on a biennial basis as part of the Water Division’s approved budget and distributed to customers via a monthly service fee. The service fee is composed of two components:

1. a “historical service component” that is a temporary amortized recovery of historical service provided but not previously billed to customers outside the City of Tacoma during the time the City of Tacoma v. City of Bonney Lake case was litigated, with said component applying only to customers in the affected areas outside the City of Tacoma; and
2. an “ongoing service component.”

Monthly Franchise Hydrant Service Fee (Historical Service Component)		
	Commencing	
	4/1/ 15 17	1/1/ 16 18
Outside City, other contract	\$1.90	\$1.90
Firecrest Franchise	\$1.90	\$1.90
Lakewood, Puyallup, and University Place Franchises	\$1.90	\$1.90

Monthly Franchise Hydrant Service Fee (Ongoing Service Component)		
	Commencing	
	4/1/ 15 17	1/1/ 16 18
Outside City, other contract	\$2.90 \$3.06	\$2.90 \$3.23
Firecrest Franchise	\$2.90	\$2.90
Lakewood, Puyallup, and University Place Franchises	\$2.90	\$2.90

12.10.310 System development charge (“SDC”).

A. A system development charge (“SDC”) shall be levied for each new water service connection to the City water system, for a service upgrade requiring a larger meter, or for any existing service with 3-inch and larger meters that exceeds 150 percent of their highest maximum annual daily average water use. The SDC fee is based on an equitable share of the cost of the entire existing water system and future facilities necessary to accommodate projected growth. This fee is established pursuant to RCW 35.92.025, the City Charter, and this chapter. SDCs are considered contributions for or in aid to construction, and shall be accounted for accordingly. Customer water consumption amounts on and after May 9, 1999, the original effective date of Ordinance No. 26408, will be examined to determine whether additional SDC amount is owed to the Department.

B. For retail meters 5/8-inch through 2-inches, the charge will be based on customer class and meter size.

For meters larger than 2-inches, the SDC shall be determined based on the customer’s anticipated water use as shown below:

Meter Size	Inside City Residential Charges		Inside City Commercial/Industrial Charges	
	Effective			
	1/1/03	1/1/04	1/1/03	1/1/04
5/8-inch	\$1,443	\$1,485	\$1,928	\$1,984
3/4-inch	2,166	2,229	2,894	2,978
1-inch	3,610	3,715	4,823	4,963
1-1/2-inch	7,218	7,427	9,647	9,927
2-inch	11,548	11,883	15,433	15,881
3-inch & Larger	Individually calculated based on consumption			

Meter Size	Outside City Residential Charges		Outside City Commercial/Industrial Charges	
	Effective			
	1/1/03	1/1/04	1/1/03	1/1/04
5/8-inch	\$1,732	\$1,782	\$2,315	\$2,382
3/4-inch	2,599	2,674	3,473	3,574
1-inch	4,330	4,456	5,786	5,954
1-1/2-inch	8,661	8,912	11,575	11,911
2-inch	13,860	14,262	18,520	19,057
3-inch & Larger	Individually calculated based on consumption			

The SDC for a multiple family dwelling unit arrangement to be served by a single meter shall be calculated by taking the number of units in the premise and multiplying by 60 percent of the SDC for a single-family dwelling (5/8-inch meter) . If said premise chooses in the future to separately meter each premise the additional 40 percent of the SDC for a single-family dwelling (5/8-inch meter) shall be due and payable at

For meters 3-inches and larger, estimates of anticipated average day use, peak day, and four-day maximum water use will be determined by the Division. Peak day is defined as the maximum 24-hour use during summer months of June through, and including, September. Four-day maximum use is defined as the average use per day of the four highest consecutive days of the customer's water use in the summer months. For inside City customers, the average day SDC cost is \$2.64/gallon (effective 1/1/04). The peak day SDC cost is \$0.28/gallon (effective 1/1/04). The four-day maximum SDC cost is \$2.36/gallon (effective 1/1/04). For outside City customers, the average day SDC cost is \$3.17/gallon (effective 1/1/04). The peak day SDC cost is \$0.34/gallon (effective 1/1/04). The four-day maximum SDC is \$2.83/gallon (effective 1/1/04).

The SDC will be the sum of the average day use multiplied by the average day cost/gallon, the peak day use minus average day use multiplied by the peak day cost/gallon, and the four-day maximum use minus average day use multiplied by the four-day maximum cost/gallon.

As of April 23, 2001, the SDC paid for meters 3-inches and larger will be adjusted annually based on actual usage. If usage is greater than 110 percent of the anticipated average, peak day or four-day maximum use during a 12-month period of time, an additional SDC will be charged, using the same methodology for calculating average day, peak day, and four-day maximum water use and multiplying by the respective SDC cost per gallon in effect at the time of adjustment. This requirement for an additional SDC may be waived upon satisfactory demonstration by the customer that the increased water use was temporary in nature and will return to the originally anticipated level.

C. SDC Exemptions:

1. New water service connections dedicated exclusively for fire protection purposes shall be exempt from payment of the SDC. The conversion of a dedicated fire service to a service for use other than exclusively for fire protection shall require the payment of the SDC as provided for in subsection B above.

2. The Division requires that all new single family dwelling residential combination domestic/fire sprinkler service and meters be served by a 1-inch service and 3/4-inch meter. If a larger size meter is required for fire protection the customer must install separate fire service and domestic services. The customer is required to pay all fees to construct said 1-inch service and 3/4-inch meter and all applicable main charges. When such use is documented through the plan review process, the SDC for a 5/8-inch meter will apply. The monthly customer charge will be at the standard charge for a 3/4-inch meter as set forth in TMC 12.10.400.

3. If a residential customer has an existing 3/4-inch x 5/8-inch service and meter an exchange to a 3/4-inch meter will be allowed if the customer's fire protection engineer determines it will provide adequate flow. All applicable fees will apply. If flow tests after the meter exchange show inadequate flow the customer will be required to pay the additional fees to retire the 3/4" service and install a new 1" service. Residential customers requesting an upgrade to an existing meter to a 3/4-inch meter for a combination domestic/fire sprinkler service will be exempt from payment of the additional SDC when such use is approved through the plan review process. The monthly customer charge will be at the standard charge for a 3/4-inch meter as set forth in TMC 12.10.400.

4. Customers who are requesting a separate water service connection and are being provided with water service by way of another Division customer (i.e., multi-premises connection), shall be exempt from payment of the SDC if:

Billing record exists showing multi-premise rate for each premise on meter.

All premises served by meter of record were constructed prior to October 7, 1991.

D. Existing Facilities:

1. Multiple dwelling unit arrangements currently being served by a single meter shall be exempt from payment of the SDC when changing to separate water service connections for each unit if the original meter was installed prior to October 7, 1991. If the existing meter was installed after October 7, 1991, the customer will be required to pay the 40 percent differential for each individual meter installed as noted in B above.

E. Credit policy for retail customers previously or currently metered:

1. When a request or requirement for a larger meter is made, an SDC credit for the existing meter will be made. The credit for meters up to 2-inches will be the current published SDC amount using the rate in place prior to the requested or required up-sizing. For meters 3-inches and larger, the credit would be calculated based on 150 percent of the highest maximum annual daily average water use derived from billing records. If billing records are not available for a specific meter, the SDC credit calculation will be based on a system-wide use data for that size meter.

2. For situations where meters 3-inches or larger exist and water use will increase, but no change in the meter is required, an SDC will not be required unless the projected use is more than 150 percent of historical use. If the projected use exceeds the 150 percent historical use quantity, an SDC will be calculated for the quantity of water in excess of the 150 percent figure. Prior written commitments to deliver a specific quantity of water, if greater than 150 percent of historical use, will be honored.

3. Credit shall be given for inactive or previously removed meters that can be verified by Division records. The credit will be determined as stated in subsection E.1 above.

Multiple dwelling unit arrangements – Credit for existing multiple dwelling unit meters shall be calculated at 60 percent of the applicable 5/8-inch meter rate per unit and applied to the required SDC if previously served by a single meter.

4. Credits as computed will be subtracted from the determined SDC amount. If an available credit exceeds the SDC amount, the balance shall remain with the parcel previously receiving water service. No refunds shall be allowed for the amount of this credit.

5. All SDC credits are non-transferable unless parcels are combined to facilitate redevelopment.

6. This section is not applicable to ~~the RockTenn's Pulp Mill's~~ existing services.

F. For wholesale meters, as sized by the Division, the SDC will be determined based on the customer's anticipated water use.

1. Estimates of anticipated average day use, peak day, and four-day maximum water use will be submitted to and approved by the Division. Peak day is defined as the maximum 24-hour use during summer months of June through, and including, September. Four-day maximum use is defined as the average use per day of the four highest consecutive days of water use in the summer months. The average day SDC cost is \$3.17/gallon (effective 1/1/04). The peak day SDC cost is \$0.34/gallon (effective 1/1/04). The 4-day maximum SDC cost is \$2.83/gallon (effective 1/1/04).

The SDC will be the sum of the average day use multiplied by the average day cost/gallon, the peak day use minus average day multiplied by the peak day cost/gallon, and the four-day maximum use minus average day multiplied by the four-day maximum cost/gallon.

1. The SDC, as of the effective date of this ordinance, will be adjusted annually based on actual usage. If usage is greater than 10 percent of the anticipated average, peak day or four-day maximum use during a 12-month period of time, an additional SDC may be charged using the same methodology for calculating average day, peak day, and four-day maximum water use and multiplying by the respective SDC cost per gallon in effect at the time of adjustment. This requirement for an additional SDC may be waived upon satisfactory demonstration by the customer that the increased water use was temporary in nature and that water use will return to the originally anticipated level.

2. For situations where an existing wholesale customer is increasing its purchase of water, SDC credit for existing service will be based on either maximum historic use or prior written commitments to deliver a specific quantity of water, whichever is greater.

G. SDCs for meters 2-inches and smaller are payable in full at the time the meter installation is requested. Time payments will be allowed for SDCs for meters 3-inches and larger, for up to ten years, at the discretion of the customer, as follows:

1. When a down payment of 20 percent or more is initially paid, the Division will accept annual payments, with interest, on the unpaid balance calculated using the then current prime rate of interest less 2 percent.

2. When a down payment of at least 10 percent, but less than 20 percent, is initially paid, the Division will accept annual payments, with interest, on the unpaid balance calculated using the then current prime rate of interest.

3. The time payment agreements shall provide that this obligation constitutes a lien on the benefited premises and that the City has the right to terminate water service for any nonpayment of the amounts due on the outstanding balance. In addition, unless the customer is a financially stable public entity, the customer shall be required to provide security such as a financial guarantee bond to guarantee payment of the SDC or make incremental prepayments of the SDC plus interest on the balance of the outstanding total amount of the SDC.

H. Rate Adder to Recover Capital Costs Not Covered by the SDC. In addition to paying the SDC set forth in this section, a customer who proposes to use water for a new or enlarged power plant, and who does not use best available water conservation technology (BAWCT), shall be required to pay, in addition to the applicable water rate, an adder to such rate in accordance with the Division's Customer Service Policy for New Power Plants. The adder shall be calculated to recover over a period of 20 years a portion of the capital costs that are not covered by the SDC for such customer. This present value of the adder (spread over 20 years) will be equivalent to an SDC on that portion of the customer's water consumption that is in excess of the amount of water the customer would have consumed had BAWCT been used. Said customers shall also be required to enter into a water service agreement with the Division, and such agreement shall be submitted to the Public Utility Board for approval.

* * *

12.10.400 Rates – Inside and outside City limits.

The standard charge for water supplied inside and outside the City for residential, and commercial/industrial, parks and irrigation, and public facilities use shall consist of a customer charge, also termed a "monthly ready to serve charge," based on the meter size together with the rate for the quantity of water used.

For water supplied to a single premises which contains multiple dwelling units, i.e., two or more houses under the same ownership, duplexes, apartment buildings, condominiums, mobile home parks, trailer courts, industrial buildings, etc., the monthly charges will be the same as indicated above.

When water is being supplied to an existing multiple premises, i.e., two or more separate premises being served by one service and meter, the “monthly ready to serve charge” will be based on either the existing meter size or on a 5/8-inch meter size for each premises served, whichever is the greater charge.

When more than one service supplies a premises, the consumption of water for each meter shall be computed separately.

A. Standard charges:

1. The monthly ready to serve charge shall be in accordance with the following schedule for residential, commercial/industrial, and commercial/industrial large volume, ~~parks and irrigation, public facilities, and wholesale service.~~

Ready to Serve Charge				
Meter Size (Inches)	Inside Commencing		Outside Commencing	
	<u>4/1/1517</u>	<u>1/1/1618</u>	<u>4/1/1517</u>	<u>1/1/1618</u>
5/8	<u>\$21.20</u> \$19.60	<u>\$22.05</u> \$20.38	<u>\$25.44</u> \$23.52	<u>\$26.46</u> \$24.46
3/4	<u>\$31.80</u> \$29.40	<u>\$33.08</u> \$30.57	<u>\$38.16</u> \$35.28	<u>\$39.70</u> \$36.68
1	<u>\$53.00</u> \$49.00	<u>\$55.13</u> \$50.95	<u>\$63.60</u> \$58.80	<u>\$66.16</u> \$61.14
1.5	<u>\$106.00</u> \$98.00	<u>\$110.25</u> \$101.90	<u>\$127.20</u> \$117.60	<u>\$132.30</u> \$122.28
2	<u>\$169.60</u> \$156.80	<u>\$176.40</u> \$163.04	<u>\$203.52</u> \$188.16	<u>\$211.68</u> \$195.65
3	<u>\$318.00</u> \$294.00	<u>\$330.75</u> \$305.70	<u>\$381.60</u> \$352.80	<u>\$396.90</u> \$366.84
4	<u>\$530.00</u> \$490.00	<u>\$551.25</u> \$509.50	<u>\$636.00</u> \$588.00	<u>\$661.50</u> \$611.40
6	<u>\$1,060.00</u> \$980.00	<u>\$1,102.50</u> \$1,019.00	<u>\$1,272.00</u> \$1,176.00	<u>\$1,323.00</u> \$1,222.80
8	<u>\$1,696.00</u> \$1,568.00	<u>\$1,764.00</u> \$1,630.40	<u>\$2,035.20</u> \$1,881.60	<u>\$2,116.80</u> \$1,956.48
10	<u>\$2,438.00</u> \$2,254.00	<u>\$2,535.75</u> \$2,343.70	<u>\$2,925.60</u> \$2,704.80	<u>\$3,042.90</u> \$2,812.44
12	<u>\$3,577.50</u> \$3,307.50	<u>\$3,720.94</u> \$3,439.13	<u>\$4,293.00</u> \$3,969.00	<u>\$4,465.13</u> \$4,126.96

The monthly ready to serve charge shall be in accordance with the following schedule for parks and irrigation.

<u>Parks and Irrigation Ready to Serve Charge</u>				
<u>Meter Size (Inches)</u>	<u>Inside Commencing</u>		<u>Outside Commencing</u>	
	<u>4/1/17</u>	<u>1/1/18</u>	<u>4/1/17</u>	<u>1/1/18</u>
<u>5/8</u>	<u>\$17.67</u>	<u>\$14.70</u>	<u>\$21.20</u>	<u>\$17.64</u>
<u>3/4</u>	<u>\$26.50</u>	<u>\$22.05</u>	<u>\$31.80</u>	<u>\$26.47</u>
<u>1</u>	<u>\$44.17</u>	<u>\$36.75</u>	<u>\$53.00</u>	<u>\$44.11</u>
<u>1.5</u>	<u>\$88.33</u>	<u>\$73.50</u>	<u>\$106.00</u>	<u>\$88.20</u>
<u>2</u>	<u>\$141.33</u>	<u>\$117.60</u>	<u>\$169.60</u>	<u>\$141.12</u>
<u>3</u>	<u>\$265.00</u>	<u>\$220.50</u>	<u>\$318.00</u>	<u>\$264.60</u>
<u>4</u>	<u>\$441.67</u>	<u>\$367.50</u>	<u>\$530.00</u>	<u>\$441.00</u>
<u>6</u>	<u>\$883.33</u>	<u>\$735.00</u>	<u>\$1,060.00</u>	<u>\$882.00</u>
<u>8</u>	<u>\$1,413.33</u>	<u>\$1,176.00</u>	<u>\$1,696.00</u>	<u>\$1,411.20</u>

<u>10</u>	<u>\$2,031.67</u>	<u>\$1,690.50</u>	<u>\$2,438.00</u>	<u>\$2,028.60</u>
<u>12</u>	<u>\$2,981.25</u>	<u>\$2,480.63</u>	<u>\$3,577.50</u>	<u>\$2,976.75</u>

2. The schedule of rates for water used shall be as follows and billed to the nearest CCF (100 cubic feet or approximately 748 gallons):

Residential Service				
	Rate per CCF			
Range in CCF (100 cubic feet)	Inside Commencing		Outside Commencing	
	<u>4/1/1517</u>	<u>1/1/1618</u>	<u>4/1/1517</u>	<u>1/1/1618</u>
<u>Winter Tier:</u> For each CCF of water consumption during the winter months of October through and including May	<u>\$1.825</u> <u>\$1.645</u>	<u>\$1.895</u> <u>\$1.756</u>	<u>\$2.190</u> <u>\$1.974</u>	<u>\$2.274</u> <u>\$2.107</u>
<u>Summer Tier 1:</u> For the first five CCF of water consumption per month during the summer months of June through and including September	<u>\$1.825</u> <u>\$1.645</u>	<u>\$1.895</u> <u>\$1.756</u>	<u>\$2.190</u> <u>\$1.974</u>	<u>\$2.274</u> <u>\$2.107</u>
<u>Summer Tier 2:</u> For each CCF of water consumption over five CCF during the summer months of June through and including September	<u>\$2.281</u> <u>\$2.056</u>	<u>\$2.369</u> <u>\$2.195</u>	<u>\$2.738</u> <u>\$2.468</u>	<u>\$2.843</u> <u>\$2.634</u>

Commercial and Industrial - General Service				
	Rate per CCF			
Range in CCF (100 cubic feet)	Inside Commencing		Outside Commencing	
	<u>4/1/1517</u>	<u>1/1/1618</u>	<u>4/1/1517</u>	<u>1/1/1618</u>
For each CCF of water consumption	<u>\$2.032</u> <u>\$1.817</u>	<u>\$2.123</u> <u>\$1.945</u>	<u>\$2.438</u> <u>\$2.180</u>	<u>\$2.548</u> <u>\$2.334</u>

Commercial and Industrial - Large Volume Service. Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.				
	Rate per CCF			
Range in CCF (100 cubic feet)	Inside Commencing		Outside Commencing	
	<u>4/1/1517</u>	<u>1/1/1618</u>	<u>4/1/1517</u>	<u>1/1/1618</u>
For each CCF of water consumption	<u>\$1.666</u> <u>\$1.540</u>	<u>\$1.782</u> <u>\$1.557</u>	<u>\$1.999</u> <u>\$1.812</u>	<u>\$2.138</u> <u>\$1.868</u>

Parks and Irrigation Service				
	Rate per CCF			
Range in CCF (100 cubic feet)	Inside Commencing		Outside Commencing	
	<u>4/1/1517</u>	<u>1/1/1618</u>	<u>4/1/1517</u>	<u>1/1/1618</u>
For each CCF of water consumption	<u>\$3.115</u> <u>\$2.586</u>	<u>\$3.485</u> <u>\$2.769</u>	<u>\$3.738</u> <u>\$3.103</u>	<u>\$4.182</u> <u>\$3.323</u>

~~B. Schedule of charges within the City of Fircrest:~~

~~1. The monthly ready to serve charge shall be in accordance with the following schedule for residential, commercial/industrial, commercial/industrial large volume, parks and irrigation, public facilities, and wholesale service.~~

Ready to Serve Charge – Firerest		
Meter Size (Inches)	Commencing	
	4/1/15	1/1/16
5/8	\$24.30	\$24.46
3/4	\$36.44	\$36.68
1	\$60.74	\$61.14
1.5	\$121.48	\$122.28
2	\$194.37	\$195.65
3	\$364.44	\$366.84
4	\$607.40	\$611.40
6	\$1,214.81	\$1,222.80
8	\$1,943.69	\$1,956.48
10	\$2,794.06	\$2,812.44
12	\$4,099.98	\$4,126.96

2. The schedule of rates for water used shall be as follows and billed to the nearest CCF (100 cubic feet or approximately 748 gallons):

Residential Service – Firerest		
Range in CCF (100 cubic feet)	Rate per CCF	
	Commencing	
	4/1/15	1/1/16
For each CCF of water consumption during the winter months of October through and including May	\$2.039	\$2.107
For the first five CCF of water consumption per month during the summer months of June through and including September	\$2.039	\$2.107
For each CCF of water consumption over five CCF during the summer months of June through and including September	\$2.549	\$2.634

Commercial and Industrial – General Service – Firerest		
Range in CCF (100 cubic feet)	Rate per CCF	
	Commencing	
	4/1/15	1/1/16
For each CCF of water consumption	\$2.252	\$2.334

Commercial and Industrial – Large Volume Service – Firerest. Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually		
Range in CCF (100 cubic feet)	Rate per CCF	
	Commencing	
	4/1/15	1/1/16
For each CCF of water consumption	\$1.872	\$1.868

Parks and Irrigation Service—Firerest		
	Rate per CCF	
	Commencing	
Range in CCF (100 cubic feet)	4/1/15	1/1/16
For each CCF of water consumption	\$3.206	\$3.323

C. Schedule of charges within the cities of Lakewood, Puyallup and University Place:

1. The monthly ready to serve charge shall be in accordance with the following schedule for residential, commercial/industrial, commercial/industrial large volume, parks and irrigation, public facilities, and wholesale service.

Ready to Serve Charge—Lakewood, Puyallup and University Place		
Meter Size (Inches)	Commencing	
	4/1/15	1/1/16
5/8	\$24.92	\$24.46
3/4	\$37.37	\$36.68
1	\$62.29	\$61.14
1.5	\$124.58	\$122.28
2	\$199.32	\$195.65
3	\$373.73	\$366.84
4	\$622.88	\$611.40
6	\$1,245.75	\$1,222.80
8	\$1,993.20	\$1,956.48
10	\$2,865.23	\$2,812.44
12	\$4,204.41	\$4,126.96

2. The schedule of rates for water used shall be as follows and billed to the nearest CCF (100 cubic feet or approximately 748 gallons):

Residential Service—Lakewood, Puyallup, and University Place		
	Rate per CCF	
	Commencing	
Range in CCF (100 cubic feet)	4/1/15	1/1/16
For each CCF of water consumption during the winter months of October through and including May	\$2.091	\$2.107
For the first five CCF of water consumption per month during the summer months of June through and including September	\$2.091	\$2.107
For each CCF of water consumption over five CCF during the summer months of June through and including September	\$2.614	\$2.634

Commercial and Industrial – General Service – Lakewood, Puyallup, and University Place		
	Rate per CCF	
Range in CCF (100 cubic feet)	Commencing	
	4/1/15	1/1/16
For each CCF of water consumption	\$2.310	\$2.334

Commercial and Industrial – Large Volume Service – Lakewood, Puyallup, and University Place. Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually		
	Rate per CCF	
Range in CCF (100 cubic feet)	Commencing	
	4/1/15	1/1/16
For each CCF of water consumption	\$1.919	\$1.868

Parks and Irrigation Service – Lakewood, Puyallup, and University Place		
	Rate per CCF	
Range in CCF (100 cubic feet)	Commencing	
	4/1/15	1/1/16
For each CCF of water consumption	\$3.287	\$3.323

~~D. Public Facilities Service. Whenever water is provided for public use, such as fountains, rest rooms, or other publicly owned facilities, it shall be metered and charged for at the regular rates as prescribed under Commercial/Industrial or Parks and Irrigation, depending on the type and location of use.~~

~~E.B. Wholesale Service. Wholesale water service may be provided to community water systems that are in compliance with state Department of Health regulations. All wholesale water agreements are subject to Tacoma Public Utility Board approval. Any customer purchasing wholesale water must adopt or commit, in writing, to a water conservation and water shortage response program substantially equivalent to the Division's program as a condition of service.~~

~~1. Water Rates. A wholesale water service customer may choose, in writing with contractual agreement from Tacoma Water may choose either a rate schedule below with a corresponding ready to serve charge as described in Section A1 for an outside city customer or a market-based price set by Tacoma Water staff based on an analysis of the wholesale system and their supply alternatives. All wholesale contractual agreements with market based pricing shall be approved by the Tacoma Public Utility Board and Tacoma City Council. one of two available rate schedules for each meter in service, either the constant use schedule or the summer peaking schedule. Both of these rate schedules shall consist of the ready to serve charge based on the meter size, together with a rate for water used as shown below:~~

~~a. Constant Use Customer:~~

Wholesale Constant Use Customer		
	Rate per CCF	
Range in CCF (100 cubic feet)	Commencing	
	4/1/15	1/1/16
Per CCF for winter months (October - May)	\$2.112	\$2.112
Per CCF for summer months (June - September)	\$2.640	\$2.640

~~This option may be considered by those customers using water on a year-round basis where their average summer day use divided by their average winter day use results in a summer/winter use ratio of 2.5 or less.~~

b. Summer Season, Peaking:

Wholesale Summer Season, Peaking		
	Rate per CCF	
Range in CCF (100 cubic feet)	Commencing	
		4/1/15 4/1/17
For each CCF of water consumption	\$3.960	\$3.960

This option will be used for those customers using relatively large amounts of water in the summer months and little or no water in winter months. The ratio of average summer day use divided by average winter day use shall be greater than 2.5.

For purposes of these rates, summer-use months are defined as June through September and winter-use months are October through May.

Existing customers will be classified into one of the two rate schedules upon annual review of their usage patterns. New customers will select a rate based upon anticipated use. This selection will be subject to revision if usage is not consistent with the above options after a six-month period.

2. Additional Water. Additional or new water may be provided by the City to a wholesale customer conditioned upon satisfying the following:

a. For every new customer of the wholesale customer that is provided with water from City’s surplus supply, the wholesale customer shall remit to the City (on a monthly basis or by other arrangement as agreed to by the Superintendent) the appropriate SDC for said customer based on meter size in accordance with TMC 12.10.310.

b. That, in lieu of satisfying subsection A above, in the event the wholesale customer is in a water deficient status or later becomes water deficient as determined by the Superintendent in consultation with wholesale customer, then the Superintendent shall establish a SDC equivalent for said wholesale customer. This SDC equivalent shall not be less than what the total “retail customer equivalent” would have been for the total deficiency.

c. That the City and wholesale customer shall enter into a letter agreement setting forth the above requirements and committing the wholesale customer to remit the SDC payment to City. The wholesale customer may be required to provide City with periodic reports, certified to be accurate, detailing pertinent data.

F.C. Emergency Intertie Service. Requests for one-way and two-way emergency intertie service between the City and another purveyor will be considered.

The Superintendent may enter into specific agreements, specifying the terms under which water will be furnished or accepted by the Division. Water furnished to a purveyor through an emergency intertie service will be billed as a wholesale service with a ready to serve charge and rate for water used. Billing will be at the constant use rate for up to 30 days. If use exceeds 30 days the Superintendent will have the discretion to change the constant use rate to the summer season peaking rate. Said agreement shall provide that neither party shall be liable for failure to deliver water to the other at any time.

G.D. Fire Protection Service. When a customer does not receive domestic water from the Division and requests a fire service from the Division the appropriate regular domestic service rates shall apply as detailed above. In addition all regular construction fees, main charges and SDC shall apply. Where City water is used for domestic purposes, such customers are entitled to a separate fire service at the regular fire service rate, payable monthly as follows:

Fire Protection Service – Ready to Serve Charge					
Meter Size (Inches)	Inside Commencing		Outside Commencing		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	<u>4/1/15</u>	<u>1/1/16</u>	<u>4/1/15</u>	<u>1/1/16</u>	
2	<u>\$25.89</u> \$24.82	<u>\$26.07</u> \$24.82	<u>\$31.07</u> \$29.78	<u>\$31.07</u> \$29.78	2.99
3	<u>\$37.70</u> \$36.14	<u>\$37.96</u> \$36.14	<u>\$45.24</u> \$43.37	<u>\$45.24</u> \$43.37	2.99
4	<u>\$62.98</u> \$60.38	<u>\$63.42</u> \$60.38	<u>\$75.58</u> \$72.46	<u>\$75.58</u> \$72.46	2.99
6	<u>\$141.27</u> \$135.43	<u>\$142.25</u> \$135.43	<u>\$169.52</u> \$162.52	<u>\$169.52</u> \$162.52	2.99
8	<u>\$251.49</u> \$241.10	<u>\$253.24</u> \$241.10	<u>\$301.79</u> \$289.32	<u>\$301.79</u> \$289.32	2.99
10	<u>\$393.37</u> \$377.11	<u>\$396.11</u> \$377.11	<u>\$472.04</u> \$452.53	<u>\$472.04</u> \$452.53	2.99
12	<u>\$629.19</u> \$603.19	<u>\$633.57</u> \$603.19	<u>\$755.03</u> \$723.83	<u>\$755.03</u> \$723.83	2.99

Fire Protection Service—Ready to Serve Charge—Firerest			
Meter Size (Inches)	Commencing		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	<u>4/1/15</u>	<u>1/1/16</u>	
2	<u>\$30.77</u>	<u>\$29.78</u>	2.99
3	<u>\$44.80</u>	<u>\$43.37</u>	2.99
4	<u>\$74.85</u>	<u>\$72.46</u>	2.99
6	<u>\$167.88</u>	<u>\$162.52</u>	2.99
8	<u>\$298.87</u>	<u>\$289.32</u>	2.99
10	<u>\$467.47</u>	<u>\$452.53</u>	2.99
12	<u>\$747.71</u>	<u>\$723.83</u>	2.99

Fire Protection Service—Ready to Serve Charge—Lakewood, Puyallup, and University Place			
Meter Size (Inches)	Commencing		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	<u>4/1/15</u>	<u>1/1/16</u>	
2	<u>\$31.55</u>	<u>\$29.78</u>	2.99
3	<u>\$45.94</u>	<u>\$43.37</u>	2.99
4	<u>\$76.75</u>	<u>\$72.46</u>	2.99
6	<u>\$172.16</u>	<u>\$162.52</u>	2.99
8	<u>\$306.48</u>	<u>\$289.32</u>	2.99
10	<u>\$479.37</u>	<u>\$452.53</u>	2.99
12	<u>\$766.76</u>	<u>\$723.83</u>	2.99

Where such fire service is provided, the monthly rate shall include usage of up to a maximum of 2.99 units of water per month. The 2.99 units of allowable water use is for incidental water use for monthly leakage and system testing and is the maximum amount allowed in a single month. In any month where the total consumption is in excess of the amount shown above, the rate for water consumed shall be as noted below.

Fire Protection Service - Rate per CCF		
	Rate per CCF	
	Commencing	
	4/1/15 17	1/1/1618
All CCF - Inside City	\$3.960	\$3.960
All CCF - Outside City	\$4.752	\$4.752
All CCF - Firerest	\$4.909	\$4.752
All CCF - Lakewood, Puyallup, and University Place	\$5.034	\$4.752

If the Water use in excess of the maximum monthly allowable amount was used in extinguishing fires of incendiary or accidental origin and the customer at the location where the use occurs gives written notice to the Division within ten days from the time of such fire the customer shall pay only for actual water used at the rate noted above. If the Division is not notified the Division will conclude that water is being used for purposes other than extinguishing fires and charge the additional fee noted below of 12 times the monthly rate.

Whenever water from the Division is available on a premise through a service being charged the rate for fire protection only and is used for purposes other than extinguishing fires of incendiary or accidental origin including ongoing leakage of the fire service line and the amount of water used is in excess of the amount shown in the table above, 12 times the ready to serve charge for the specific service in question shall be the monthly minimum charge and the charge for water consumed shall be as noted in the “Fire Protection Service – Rate per CCF” table above. Waivers may be granted from the assessment of the 12 times the ready to serve charge for leaks or other accidental use upon written request with all supporting documentation but the charge for water consumed shall not be waived.

Nonpayment of invoices related to the construction of or monthly use of a fire service will result in the service being turned off and notification of the appropriate fire official who may then disallow occupancy of the premise.

Unauthorized use of water through a detector check meter more than once per calendar year may be cause for installation of a turbine meter assembly, UL/FM approval for fire service assemblies at the expense of the customer. Within the City of Tacoma, whenever water is used for purposes other than extinguishing fires, the amount of water used may be subject to the appropriate sanitary sewer charge as defined in TMC 12.08, in addition to the rates noted above and assessment of the 12 times the ready to serve charge.

Should the unauthorized use continue, including leakage in excess of the maximum amount of water allowed, the service will be considered as other than standby fire protection and be billed in accordance with the type of use pursuant to this section, and shall be subject to payment of the applicable SDC pursuant to TMC 12.10.310. Refusal to pay for the installation of the fire line meter and/or the SDC shall result in termination of service pursuant to TMC 12.10.130.

When a customer desires a fire service for the protection of a premises and the domestic water for said premises is provided from another source, the applicable single-family residential, multi-family residential, or commercial/industrial rates shall apply for the requested fire protection service inside and outside the City, respectively. When any outlet for fire protection purposes is installed on a residential, commercial or industrial service, no rebate will be allowed for water used for extinguishing a fire.

H.E. Special Contracts. The Superintendent, with the approval of the Board, shall have the right to enter into contracts for periods up to 20 years where service conditions are extraordinary; provided, that such contracts shall contain applicable rates as adopted by the Board and the City Council.

I.F. ~~RockTenn-The Pulp Mill~~ Contract. The rates, terms, and conditions in the contract originally entered between the City and RockTenn CP, LLC (“~~RockTennPulp Mill~~”) and all future assignee to the contract are applicable, except as modified by this section. For a nominated contract demand, the water rate will be based on a monthly distribution charge and the daily supply charge. If the monthly water use exceeds 103% of the contract demand or the daily water use exceeds 109% of the contract demand, an excess water usage charge will be applied. The excess water usage charge will be either the daily excess water use charge or the monthly excess water use charge, whichever is greater.

1. Water use within the range of contract demand plus 3 percent: The charge will consist of a monthly distribution charge and daily supply charge per ccf metered as stated below.
2. Daily water use greater than one hundred and nine percent (109%) of the contract demand: The charge will consist of a monthly distribution charge, daily supply charge, plus a Daily Excess Water Usage Charge (based upon the commercial and industrial-large volume rate) for water metered daily in excess of the contract demand plus 9 percent as stated below.
3. Monthly water use greater than one hundred and three percent (103%) of the contract demand: The charge will consist of a monthly distribution charge, daily supply charge, plus a Monthly Excess Water Usage Charge (based on the commercial and industrial-large volume rate) for water metered during a month in excess of the contract demand plus 3 percent, as stated in the following table.

Billing Components	Commencing	
	4/1/15	1/1/16
Distribution Charge per Month	\$77,201.64	\$71,377.26
Supply Charge/CCF	\$0.7148458	\$0.6609451
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.666	\$1.540

4. The Superintendent is hereby authorized to execute a contract with [the Roek-Tenn-Pulp Mill](#) to provide additional terms and conditions of service and other provisions consistent with this ordinance.

J.G. Meter Tests. If a customer has informed the Division that its water consumption has been above its normal billing consumption and verification discovers no leaks on the customer facilities, the customer may request that the Division test the meter. If the test discloses the meter is accurate within the American Water Works Association (“AWWA”) specifications, the customer will be billed for the test and their water bill will not be adjusted. If the test discloses the meter is not accurate within the AWWA specifications and the inaccuracy is the cause of the recorded high consumption, the customer’s water bill will be adjusted and credit given for the excessive consumption and the customer will not be billed for the test. The charge for testing meters shall be added to the customer’s bill as follows:

Meter Size	Cost
1-inch and smaller	\$75.00
>1-inch	*Estimated Cost

*The customer shall pay a deposit in the amount of the Division’s estimated cost.

If the actual cost differs from the estimated cost, the customer will be refunded or billed the difference. The Division will not test meters owned by others.

K.H. Low Pressure or Low Flow Concerns. The customer may request the Division to conduct a flow and pressure test on the service to its premises. If the cause of the problem is found to be located on the property side of the meter yoke outlet, the customer will be invoiced for a fee of \$25. If the test discloses that the low flow and/or pressure is caused by Division facilities, the Division will attempt to correct the problem and the customer will not be charged.

L.I. Low-income Senior and/or Low-income Disabled Residential Rate Discount. Residential customers who qualify as low-income senior or low-income disabled shall be eligible for a 30 percent reduction from the regular residential water rates. The determination of low-income senior and low-income disabled shall be made as set forth in TMC 12.06.165 for City Light Division (d.b.a. “Tacoma Power”) customers. Customers must submit an application for review and acceptance by the authorized administering agency to qualify for this reduction. For the water rate discount, there is no requirement that a customer be a Tacoma Power customer or submit to an energy audit.

M.J. Water System Acquisition. A water system may be acquired by the City under an agreement between the water system owner(s) and the City with Board and City Council approval. When all or a portion of the acquired system requires upgrading equal to Division standards, the agreement shall provide for funds to achieve

compliance with said standards. Under the agreement, a surcharge may be levied by the City for a period of time or an LID may be formed in accordance with RCW Title 35. The surcharge shall be an additional charge equivalent to the Ready to Serve charge per month times a multiplier, or an actual dollar amount as stated in the acquisition agreement and set forth below. The current surcharge areas include:

Former Water System	
Hyada Mutual Service Company	Total Monthly Charge \$30.00 per month through July 2022

If allowed by the acquisition agreement, a customer in a surcharge area may opt to pay off the outstanding surcharge amount.

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TACOMA WATER

WATER RATE AND FINANCIAL POLICY

Adopted by Public Utility Board Resolution U-10682 on March 26, 2014
Adopted by City Council Resolution 38876 on April 8, 2014

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TACOMA WATER

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TACOMA PUBLIC UTILITIES
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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.

~~a. 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.~~

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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)~~ use industry standards, generally accepted econometric models, relevant forecasted local data, or a combination thereof.
 - ~~5. Projected water consumption for the rate review process shall include effects of price and local economic and demographic conditions.~~
 - ~~6.5.~~ Water rates will be designed to promote conservation as a long-term resource that will extend the use of the existing source of supply.
 - ~~7.6.~~ 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.
 - ~~8.7.~~ 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. 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

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reserves, low interest loans, revenue bond funding and other means as deemed prudent.

3. Senior Debt Service Coverage will be maintained above 150%, exceeding Tacoma Water's bond covenant requirement of 125%. All In Debt Service Coverage will be maintained above 125%.
4. Major capital investments and other commitments that would significantly affect costs, rates or prices for Tacoma ~~Waterservices~~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.
5. 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.
6. Tacoma Water will exercise responsible cost control of department administration and overhead expenses consistent with industry standards.
7. Tacoma Water maintains two types of special funds that provide flexibility in ensuring timely acquisition, replacement and upgrade of the Utility's water system infrastructure and capital assets. Expenditures from these funds, subject to the limitations discussed below, may be used to offset the impact of rate increases.

The Water Capital Reserve Fund can be budgeted on a biennial basis as revenues become available for appropriate capital projects. A minimum balance of 1% 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.

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8. 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. For purposes of this policy, short-term will generally be considered to be twenty years or less.

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 [document](#).
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.
5. A rate may be designed that would include an amount of water in the ready to serve charge.
6. Incentives will be considered for construction and conversions incorporating water conservation measures.
7. A rate surcharge may be proposed under unusual conditions, such as a drought, to ensure adequate revenues.
8. 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.
9. Rates for retail customers located outside the corporate boundaries of the City of Tacoma will be 20 percent higher than rates for inside City customers.

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10. 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.
11. 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.
12. 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.*
13. 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.
14. 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.
15. 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.
16. 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.

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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, except irrigation, 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 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.
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.

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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.



ORDINANCE NO. 28415

1 AN ORDINANCE relating to the Department of Public Utilities and Environmental
2 Services Department; amending Chapter 12.01 of the Tacoma Municipal
3 Code by amending Section 12.01.030, "Invoicing and late payment fee," to
4 clarify the authority of the Director of Public Utilities and Director of
5 Environmental Services to grant waivers and adjust late fees and charges.

6 WHEREAS the City of Tacoma, Department of Public Utilities, Power
7 Division (d.b.a. "Tacoma Power") is recommending an amendment to
8 Chapter 12.01 of the Tacoma Municipal Code to clarify the authority of the
9 Director of Public Utilities and the Director of Environmental Services to grant
10 waivers and adjustments to late fees and charges, and

11 WHEREAS, pursuant to Tacoma City Charter Section 4.11, revisions to
12 Tacoma Power rates and regulations require approval by the Public Utility Board
13 and City Council, and

14 WHEREAS a public hearing was held on this matter by the Public Utility
15 Board ("Board") on February 8, 2017, and the Board approved the recommended
16 change at its regular meeting held on February 22, 2017, and

17 WHEREAS the recommended changes to TMC 12.01.030 is in the best
18 interest of the citizens of Tacoma and the customers of Tacoma Power; Now,
19 Therefore,
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BE IT ORDAINED BY THE CITY OF TACOMA:

That Chapter 12.01 of the Tacoma Municipal Code is hereby amended by amending Section 12.01.030 thereof, as set forth in the attached Exhibit "A."

Passed _____

Mayor

Attest:

City Clerk

Approved as to Form:

Acting City Attorney

Requested by Public Utility Board
Resolution No. U-10909



EXHIBIT "A"

**Chapter 12.01
UTILITY CHARGES**

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12.01.030 Invoicing and late payment fee.

A. Invoices for City utility services may be issued by mail and/or electronic means. Any invoice shall be deemed issued on the date it is deposited in the United States Post Office with postage paid and/or electronically made available by Customer Services for customer review, and such methods of issuance shall be evidence of receipt of the invoice by a customer.

B. A late payment fee will be assessed for delinquent utility account invoices(s) for City residential utility customers, the late payment fee will be assessed on each invoice that is not paid in full within 30 days from the date issued. For all other City utility customers the late payment fee will be assessed on each invoice that is not paid in full within 24 days from the date the invoice is issued. The late payment fee shall be as follows:

Utility Amount Balance	Late Payment Fee
\$0 - \$9.99	\$0
\$10.00 and over	1% of balance with a \$3.00 minimum

After the initial delinquency and failure to pay, the late payment fee shall compound on a monthly basis at the above-stated rate or 1 percent per month, whichever is more. The fee will be assessed on the past due balance, and each utility will receive the portion assessed for its past due balance.

The late payment fee will be allocated to, and recorded as revenue for City tax purposes by each utility providing service.

~~C. The Director of Utilities is authorized to waive the late payment charges under the following circumstances:~~

- ~~1. Residential utility customer who (1) qualifies as low income, (2) receives supplemental security income, or (3) is disabled and receives federal or state funds pursuant to the criteria set forth in TMC Section 12.06.165; or~~
- ~~2. If the customer is a public agency or Indian Tribe that, due to governmental or similar processing delays, has substantial difficulty in paying accounts within 30 days.~~

C. Notwithstanding TMC 1.06.226, and except as otherwise provided in this Code or applicable state law, utility service charges or fees due and owing the City may be waived or adjusted by the Director of Utilities, or by the Director of Environmental Services Department as the case may be, or their respective designees by express delegation. Such waiver or adjustment authority may only be exercised under the following circumstances:

- 1. Amounts billed to an eligible residential utility customer, pursuant to TMC 12.06.165, 12.08.360, 12.09.090 and/or 12.10.400 who (1) qualifies as low income, (2) receives supplemental security income, or (3) is disabled and receives federal or state funds;
- 2. Late payment fees billed to a customer that is a public agency or Indian Tribe and that, due to governmental or similar processing delays, has substantial difficulty in paying accounts within 30 days;
- 3. Amounts billed in error or in cases where written evidence has been presented demonstrating such irregularity that waiver or reasonable adjustment is necessary to avoid substantial injustice to the Customer;
or
- 4. Pursuant to written procedures promulgated by the Director of Finance and approved by the Director of Utility and the Director of Environmental Services Department.

* * *



ORDINANCE NO. 28416

1 AN ORDINANCE relating to utility gross earnings tax; amending Chapter 6A.100
2 of the Tacoma Municipal Code (“TMC”), relating to the Utilities Gross
3 Earnings Tax, to clarify that all street lighting rates and charges are
4 deductible from the Gross Earnings Tax, and to eliminate the deduction
5 from the Gross Earnings Tax for power sold to contract industrial
6 customers when the rate collected is above the Contract Industrial rate as
7 set forth in Chapter 12.06 of the TMC.

8 WHEREAS the City of Tacoma, Department of Public Utilities, Light
9 Division (d.b.a. “Tacoma Power”), is recommending two amendments to
10 Subsection 6A.100.040 of the Tacoma Municipal Code (“TMC”), relating to
11 deductions from the measure of the City’s utility gross earnings tax, and

12 WHEREAS TMC 6A.100.010 imposes taxes (“Tax”) upon the gross
13 earnings of the Power, Water, and Rail Divisions of the Department of Public
14 Utilities, and

15 WHEREAS TMC 6A.100.040 excludes certain utility revenue sources
16 from the computation of the Tax, and specifically, under TMC 6A.100.040.I,
17 “[a]mounts received for street light energy and for street light maintenance and
18 operation” are to be deducted from the measure of the Tax, and

19 WHEREAS the deduction from revenues under TMC 6A.100.040.I is
20 only applicable to the energy portion of the rates and any separate charges for
21 street light operations and maintenance, and

22 WHEREAS all other revenues related to street lights are subject to the
23 Tax, and the Tax is added to the rates charged and collected from the City for
24 its street lights, and
25
26



1 WHEREAS the Tax portion of the rate is returned to the City in the form
2 of a Tax payment through internal accounting mechanisms, making the
3 transaction revenue-neutral but administratively burdensome, and

4 WHEREAS Tacoma Power recommends amending TMC 6A.100.040.I.
5 to clarify that all revenues charged and collected for street lighting be deducted
6 from the Gross Earnings Tax, and

7 WHEREAS TMC 6A.100.040.Q excludes from the computation of the
8 Tax “[a]mounts received from Contract Industrial Service Contract Power (“CP”)
9 Customers (industrial non-portfolio power contracts) when the rate charged
10 exceeds the rate for the same power at Contract Industrial Service Schedule
11 CP rates for portfolio power. Revenues received in excess of the Contract
12 Industrial Service Schedule CP rate shall be deducted from the measure of
13 tax,” and
14

15 WHEREAS the impact of TMC 6A.100.040.Q is that Tacoma Power
16 must deduct from revenue collected, which normally would be subject to the
17 Tax, the sale of Contract Industrial service power when the rate charged
18 exceeds the approved Contract Industrial Power rate schedule listed in
19 TMC 12.06.260, and
20

21 WHEREAS this provision remains from the non-portfolio program
22 Tacoma Power offered Contract Industrial customers in the 1990s, when
23 Tacoma Power would buy power directly on the open market for Contract
24 Industrial customers instead of selling these customers power from Tacoma
25 Power’s generators or other contract resources, and
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WHEREAS Tacoma Power recommends the deduction under

TMC 6A.100.040.Q be eliminated so that all revenues collected by Tacoma Power from the sale of power to Contract Industrial customers be subject to the Tax, and

WHEREAS this recommended change will not impact any current customers of Tacoma Power because no current Contract Industrial customer is utilizing this program, and

WHEREAS Tacoma Power is making this recommendation to remove any potential confusion and ensure the Tax is applied to the proposed resource adder for new Contract Industrial customers that will be subject to the New Large Load Policy being presented for approval as part of Tacoma Power's 2017-2018 rates and regulations, and

WHEREAS this amendment will result in an increase in future Tax revenues whenever a new Contract Industrial customer subject to the New Large Policy is provided service by Tacoma Power, and

WHEREAS the proposed amendments are in the best interest of the citizens of Tacoma and the customers of Tacoma Power; Now, Therefore,



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BE IT ORDAINED BY THE CITY OF TACOMA:

That Chapter 6A.100 of the Tacoma Municipal Code is hereby amended by amending Section 6A.100.040 thereof, as set forth in the attached Exhibit "A."

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Acting City Attorney

Requested by Public Utility Board
Resolution No. U-10908



EXHIBIT "A"

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6A.100.040 Deductions.

In computing the gross earnings tax due under the provisions of this chapter, there shall be deducted from the measure of the tax the following items:

- A. Uncollected accounts, if the books of the utility are on an accrual basis as distinguished from a cash basis, except for charges or billings relating to providing cable television and telecommunications services.
- B. Amounts received through contemplated or actual condemnation proceedings or on account of any federal, state, or local public work project.
- C. Amounts received as compensation or reimbursement for damages to or protection of any property of the utility.
- D. Contributions for or in aid of construction.
- E. Discounts, returns, allowances, and repossessions.
- F. Amounts received from the sale or exchange of capital assets other than Christmas trees.
- G. Only interest earned from the proceeds of the sale of bonds for construction purposes.
- H. Amounts collected as sales tax.
- I. Amounts received for street lights ~~energy and for street light maintenance and operation.~~
- J. Amounts received for office rental from the City Credit Union and Retirement Office.
- K. Rental received or credits given for operators' cottages.
- L. Fire service, hydrant rental.
- M. Inter-departmental rent (deduction applicable only to Power Division).
- N. Amounts received from surcharge to water rates charged outside City limits users for system improvements necessary to meet City standards.
- O. Amounts received by waste-to-energy facilities from services provided to the public for disposal of waste products characterized as "alternative fuels," which shall mean a waste commodity that may be utilized as a fuel in a waste-to-energy facility, may or may not require some processing, provides an acceptable BTU value, creates manageable residual waste, or provides enhancement to other fuels. For purposes of this deduction, alternative fuels shall not constitute "waste" or "RDF."
- P. Amounts paid for the purchase of electricity from a City department or division that has paid gross earnings taxes on such transaction under the provisions of this chapter.
- ~~Q. Amounts received from Contract Industrial Service Contract Power ("CP") Customers (industrial non-portfolio power contracts) when the rate charged exceeds the rate for the same power at Contract Industrial Service Schedule CP rates for portfolio power. Revenues received in excess of the Contract Industrial Service Schedule CP rate shall be deducted from the measure of tax.~~