2018 Water System Plan
with new conservation plan and goal

Public Utility Board Study Session June 13, 2018
What we’re going to cover

• 2018 Water System Plan
  – Why
  – Timeline
  – What’s in it & how we approached it

• Conservation Plan & Goal
  – Development and public outreach

• When we will ask for PUB approval
Regulatory Background

“Water system planning is the foundation of a successful, safe, and sustainable public water system.”

Washington State Department of Health

• **WAC 246-290-100**
  – *Water System Plan Requirements*
• **Chapter 70.116 RCW**
  – *Public Water System Coordination Act of 1977*
• **Chapter 43.20.260 RCW**
  – *Municipal Water Law*
WATER SYSTEM PLAN

2018 Water System Plan

Tacoma Water's Comprehensive Water System Plan serves as a tool to assist Tacoma Water in making the best use of available resources in order to provide quality water services and protect the health of its customers.

Tacoma Water is required by the Washington State Department of Health to update its water system plan every ten years. These efforts include stakeholder and public outreach activities.

Public Review Draft Released for Public Comment

The Public Review Draft of the 2018 Water System Plan is available for public review and comment through June 22, 2018. Comments about the plan can be sent to Jason Molina (see contact information below). The final plan will address comments received on the Public Review Draft. It will then be reviewed by the Public Utility Board and the Tacoma City Council.

2018 Water System Plan - DRAFT

Appendix B

King County Review Requirement Guidelines

Pierce County Review Requirement Guidelines

Washington Department of Health Checklist

Appendix C

Tacoma Water Capital Improvement Program Needs Assessment

Appendix D

2017 Service Interests

List of Interests

Appendix E

Tacoma Water Watershed Management Plan February 2018

Appendix F

Water Rights Self-Assessment

Appendix G

Storage Capacity Analysis

Appendix H
Water System Plan Timeline

- July 27, 2016 – Public Utility Board study session introduction
- May 18, 2017 – pre-plan meeting with DOH, King County and Pierce County
- Conservation Plan input from IRP public advisory committee
- October 30, 2017 Conservation Plan and Goal public meeting
- April 2 – June 22, 2018 – Draft 2018 Water System Plan comment period (direct mailings and web)
- June 1 – June 15, 2018 – SEPA DNS comment period
- **June 13, 2018** – Public Utility Board study session WSP update
- June 13, 2018 – IRP presentation to Infrastructure, Planning, and Sustainability Committee
- July 18, 2018 – IRP and Water Shortage Response Plan PUB study session
- July – incorporate comments and finalize plan
- July 24, 2018 – joint PUB/CC study session (WSP, IRP and Conservation)
- August 8, 2018 – Public Utility Board study session update on WSP changes per public comment
- August 8, 2018 – anticipated IRP and WSRP PUB approval
- August 22, 2018 – anticipated WSP, Conservation Plan and Goal approval
- September – City Council communication/approval
- DOH & King County approval, Pierce County consistency
Major Plan Elements

WAC 246-290-100

(A) Demonstrates the system’s operation, technical, managerial, and financial capability to achieve and maintain compliance with relevant local, state, and federal plans and regulations;

(B) Demonstrate how the system will address present and future needs in a manner consistent with other relevant plans and local, state, and federal laws, including applicable land use plans;

(C) Establish eligibility for funding under Chapter 246-296 WAC
2018 Water System Plan – synchronizing on common 10 year cycle

- Water System Plan: 2018 - 2027
- Conservation Plan and Goal: 2018 - 2027
2018 Water System Plan – collecting our planning in one place
2018 Water System Plan – chapter overview

12 Chapters
providing overview of
the planning work we
already do

Referencing and
appending existing
plans – not rewriting

Result – a useful
compilation rather
than a plan for
regulatory purposes
Ch. 1 – Introduction and Purpose
(we’ve done a lot since the last plan)
Ch. 2 – Tacoma Water History, Service Area, and Organizational Structure
Ch. 3 – Water Demand and Water Conservation Program

Figure 3-1. Water Demand (Most Likely Forecast - all users, with and without conservation)

- **Average Day Demand (No Conservation Savings)**
- **Average Day Demand (Conservation Savings)**
- **Peak Day Demand (No Conservation Savings)**
- **Peak Day Demand (Conservation Savings)**
- **Historical Peak & Average Day Demand**

<table>
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<th>Year</th>
<th>Historical Peak &amp; Average Day Demand</th>
<th>Forecast</th>
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<tr>
<td>2004</td>
<td>120</td>
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<td>2018</td>
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<td>2020</td>
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<td>2038</td>
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Ch. 4 – Water Sources

Includes potential uses for reclaimed water
Ch. 4 – Water Sources (wells)
Ch. 5 – Water Infrastructure

Overview of facilities for supply, treatment, storage and distribution
Ch. 5 – Water Infrastructure (storage)
Figure 6-1. Schematic of Storage Components
Chapter 6 – System Analysis (pressure zones)
Ch. 7 – Water Quality
Overview of Tacoma Water operations including operator certifications, customer service, safety, and water control and monitoring programs.
Ch. 9 – Enhancing System Resiliency

Water Supply Forum: Earthquakes, Water Quality, Drought, Climate Change

Tacoma Water specific: Seismic Vulnerability Assessment, Interties, and Water Shortage Response Plan
Ch. 10 – Asset Management
Ch. 11 – Capital Improvement Plan

• Key projects (2017-2026)
  – Advanced Metering Infrastructure
  – Lead Gooseneck Replacement
  – Puyallup River Crossing
  – Corrosion Control at Gravity Pipeline Wells
  – Tehaleh Main Extension
  – Tacoma Public Utilities Decant Facility
  – Main Replacement Projects
  – Seismic Projects
Ch. 12 – Financial Plan
Appendix E: Watershed Management Plan

2018 Watershed Ownership
- Conservation Forestry
- Burlington Northern RR
- International Paper Forestry
- King County
- MER
- McMi Resources
- Muckleshoot Federal Corporation

- Seattle Water District
- Tacoma Water
- US Army Corps of Engineers
- US Forest Service
- WA Dept. of Natural Resources
- WA State Aeronautics Division
- Weyerhaeuser Company
New conservation goal and plan: 2018 - 2027

What drove us to do this?

• Our current goal sunset at the close of 2017

• New goal required a new plan to meet it
Process

• Worked with consultant to model each possible measure
• Combined measures into packages with different foci
• Presented packages to water management and Public Advisory Committee
Process

• Created a new package using feedback
  - Focus on peak
  - Add programming for multifamily

• Put out for public comment
  - Social media
  - Website
  - In-person feedback (October 30, 2017)
WATER CONSERVATION PLAN

Tacoma Water's Conservation Plan and Goal

For more than 35 years, Tacoma Water has been committed to implementing an effective conservation plan as part of our overall water resource plan. While we are fortunate to have an abundant water supply, we recognize the importance of water as a vital resource for the prosperity of all life in the Puget Sound region.

This winter, Tacoma Water will be presenting water efficiency goals for 2018-2027 to the Public Utility Board. In preparation, we solicited feedback from our business and residential customers through a public meeting, an online survey, and written comments by mail to help shape and define our future efforts.
Public feedback summary

Irrigation controller rebate - likely to participate

- Very
- Somewhat
- Not at all
- N/A
Public feedback summary

Outdoor efficiency kit - likely to participate

- Very
- Somewhat
- Not at all
- N/A
Public feedback summary

Bathroom faucet aerator - likely to participate

- Very
- Somewhat
- Not at all
- Already participated
- N/A
Public feedback summary

Commercial kitchen equipment rebate - likely to participate

- Very
- Somewhat
- Not at all
- N/A
Public feedback summary

Conservation Action

- Brushing teeth
- Laundry
- Dishes
- Fixtures
- Landscape
- Watering time

Percent currently doing
Public feedback summary

Number of mentions

Improvement

Mulch  Grey water  Landscaping  Education  Rebates  Comparisons
Proposed plan – what we’re keeping

Here are some things we’re already doing:

• Single family fixture giveaways
• Commercial kitchen equipment rebates
• Customized commercial, institutional, and industrial customer rebate
• Education and outreach
Proposed plan – what’s new?

Here are some things we’re adding:

• Outdoor efficiency kit giveaways for residential customers (soil moisture sensor, rain gauge, hose timer)
• “Smart” irrigation controller rebates for all customers
• Irrigation audits for large commercial systems
• Increase in multifamily customer programs
Proposed goal

Proposed goal: 6.65% peak (May – October) reduction from 2018 to 2027

• Goal will be measured by dividing the water use of the system by our population

• 2017 will be used as the baseline year

• This includes all retail customers, except those using > 1 million gallons/day
Proposed goal

Population-adjusted demand in gallons (May through October)

Year

Non-programmatic conservation

Active + non-programmatic conservation
Summary

• Goal was created iteratively using multiple forms of feedback

• Public feedback review did not require major changes to plan

• Next we seek PUB approval as part of the larger Water System Plan
Questions?
August 22, 2018 – anticipated PUB approval request for WSP & Conservation Plan and Goal
Small Works Roster Program
Tacoma Municipal Code (TMC) 10.27
City of Tacoma | Finance Department
OVERVIEW

• Update the Small Works Roster Program and proposed revisions to TMC 10.27
  • Consistent with Washington State Law (RCW)
• Provide program incentives for City of Tacoma Small Business Enterprise contractors
# OVERVIEW

<table>
<thead>
<tr>
<th>Small Works Roster Program (SWR)</th>
<th>Small Business Enterprise Program (SBE)</th>
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</thead>
<tbody>
<tr>
<td>• Governed by RCW and TMC</td>
<td>• Governed by TMC</td>
</tr>
<tr>
<td>• Expedited Bid Process for small public works and improvements (construction) projects</td>
<td>• Increase number of small businesses on City-funded goods, services, and construction contracts</td>
</tr>
<tr>
<td>• Limited to pre-registered contractors for specific categories of work</td>
<td>• Focus on prime contractors, subcontractors and small businesses.</td>
</tr>
</tbody>
</table>
• Contractors pre-register for 39 specific categories of work (NAICS codes).
• Quick turn projects
• More informal in nature
• Typically Single trade
• Solicitations are sent to approved SWR contractors only.

- Primary TPU Usage:
  - Asphalt & Concrete Restoration
- Other City Usage:
  - Site preparation (Demolition)
  - Plumbing, Heating, & Air Conditioning
  - Roofing
• Currently 80 Contractors registered in SWR program
  • Only 12 are Small Business Enterprise (SBE) Contractors

2016-2017 SWR Contracts Awarded

<table>
<thead>
<tr>
<th>Year</th>
<th>SBE</th>
<th>Non-SBE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>2017</td>
<td>9</td>
<td>21</td>
<td>30</td>
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</table>
ISSUES

• SWR Contract threshold and Bond waiver allowances are not consistent with current Washington State Law or other local agencies
• No SBE preference in contract award (typically single trade – no subcontracting)
• SBE(s) compete with larger contractors registered on the Small Works Roster, offering little incentive to register on Small Works Roster

RCW 39.04.155
RCW 39.08.010

• Current threshold $300,000
• Bond waivers up to $150,000

TMC 10.27*
TMC 1.06*

• Threshold $200,000
• Bond waivers up to $100,000
• $200,000 Governing Body Threshold
• *Last revised in 2009
PROPOSED REVISIONS

• City Code Chapter 10.27, Small Public Works Contracts

• Amends Article 10.27.010 and 10.27.030
  
  • Increase threshold from $200,000 to the threshold established in RCW 39.04.155 (currently $300,000)

  • Waive governing body approval requirements of TMC 1.06.268.B for SWR contracts;
PROPOSED REVISIONS

• **City Code Chapter 10.27, Small Public Works Contracts**
  
  • Provide bid evaluation credit consistent with TMC 1.07 for SBE(s) registered on the Small Works Roster (currently 5%);
  
  • Increase threshold to waive bonding requirements from $100,000 to the threshold established by RCW 39.08.010 (currently $150,000);
  
  • Increase threshold for prompt payment benefits to Small Works Roster contractors with annual revenues below $300,000 (up from $250,000)
SMALL BUSINESS ENTERPRISE EXPECTED BENEFITS

- Option to Waive Bonding*
- Prompt Payment Benefit*
- SBE Bid Evaluation Credit
- Reduce Barriers to Compete with Large Firms
- Incentives to register for Small Works Roster

*For Qualified SBE’s
EXPECTED BENEFITS

- Utilizes maximum thresholds established by RCW
- Improves consistency between local agencies
- Waiving governing body approval for SWR contracts preserves expedited contracting process
TIMELINE - NEXT STEPS

• Council Committee Review – April 10, 2018
• Tacoma Public Utilities Management – April 24, 2018
• Public Utility Board Study Session – June 13, 2018
• Public Utility Board – June 27, 2018
• City Council 1st reading – July 10, 2018
• City Council 2nd reading – July 17, 2018
• Ordination Effective – July 27, 2018
Overview

• Overview of historic communications & outreach
• Evolution of TPU’s communications/outreach
• Staff-recommended plan for budget and rates outreach
• PUB feedback/dialogue
Pre-2017 Outreach

• Bulk of community outreach during rate-setting process
  – Neighborhood Councils
  – Franchise Cities
  – Other local government partners
2017 Outreach, New Approach

• TPU staff recommends and management supports revamped approach to rates outreach in 2017

• 2017 rates outreach process part of more concerted, holistic approach to TPU’s communications and community outreach
2017 Rates Outreach cont.

• At least 14 community presentations
  – Tacoma’s neighborhood councils
  – Business districts
  – Franchise cities/Pierce County
  – Metro Parks
  – Black Collective

• Rates presentation available on TPU website

• Presentation focused on telling TPU’s story, rates-related message, providing feedback to TPU
TPU’s Outreach Evolving

• With the support of the PUB and senior management, Public Affairs and Communications Group formed
  – TPU staff assigned to neighborhood/community council(s)
  – Presentations to community organizations
  – More regular interaction, working to strengthen relationships with
    • City Councils
    • General Government staff
    • Franchise cities
    • Other local units of government
    • Native American Tribes
    • Business districts
  – New communications functions added that support these efforts

• PUB-directed outreach for Director’s search
  – Robust engagement to TPU’s customers, neighborhood councils, community and business leaders, franchise cities, non-profit/service agencies, Native American Tribes
Proposed Budget/Rates Outreach

• Presentation Audiences
  – Neighborhood Councils (Coordinated with Environmental Services)
  – Franchise City Councils
  – Other local units of government (Metro Parks, Pierce County, etc.)
  – Community Organizations (Hilltop Action Coalition, Safe Streets, Korean Women’s Association, Black Collective, etc.)
  – Neighborhood Block Groups
  – Puyallup Tribe
  – Business Districts
  – Service Organizations: Rotaries, Chambers, etc.
  – 2nd Supply Partners
  – Wholesale Customers
  – Industrial Customers
Proposed Outreach (cont.)

• Suggested individual and group stakeholder meetings
  – Mayor & Council
  – Other key leaders and electeds
  – Non-profits/service partners (MDC, Pierce County Community Connection, etc.)
Proposed 2018 outreach
Customer Communications

“The new world of engagement…”
Customer Communications Approach

- Integrated, long-view plan
- Engage vs. tell
- Listen to customers
Customer Communications Strategies

#1: Year-Round Conversation
Customer Communications Strategies

- Ongoing education and involvement with what we do throughout the year that benefits customers and how we control costs
- Coordinate with other services (ES)
- Tailor messages by customer group
Customer Communications Strategies

#2: Early, multi-channel notifications for rate adjustments
Customer Communications Strategies

• Build a narrative for announcing them
  – Here’s the amount
  – Here’s what’s driving it
  – Here’s what we’re doing to control it
  – Here’s what you can do about it (suite of options)
  – How customers can get involved
Customer Communications Strategies

• More notice and resources for public meetings
  – Use available channels (bill package, emails, newsletters, website, social media) to announce dates in advance
  – Have handouts at meetings that refer customers to online resources (web tools, email sign up, Facebook Group)
  – Post links to video and documents for those who couldn’t attend
Customer Communications Strategies

- Use communications channels to reach community groups with updates prior to outreach presentations

- Continuously evaluate if our approach is successful
Customer Communications Tactics

• Video series highlighting projects that benefit customers
  – Pole replacement
  – Filtration plant
  – Stewardship of natural resources
  – Where your power/water comes from
  – Employee volunteerism in the community
  – Maintenance work that maintains reliability
  – Coordination with Public Works to keep project costs down
  – Apprenticeship program
Customer Communications
Tactics

• Explore a variety of engagement methods
  – Invitations to public meetings; handouts
  – Face-to-face at community events
  – Surveys
  – Self-serve, easy to understand web content and interactive tools
  – Email sign up list for updates
  – Public or group tours
  – Facebook Groups

• Implement message and engagement map by customer group
Customer Communications Messages

• Understanding your bill
• How we control costs
• Everything we do throughout the year that benefits customers
• How we can help you manage costs
  – Budget billing
  – Conservation
  – Payment assistance programs
Customer Communications

Channels

- Bill package messaging
- Materials to distribute at outreach events, agencies and public locations
- Packets for electeds
- Messaging for employees
- Tacoma Report and other earned media
- Community partners’ resources (social media, email lists, newsletters)
- Handouts for events, public meetings
- Social media/Facebook Groups
### Timeline

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<th>TPU Board &amp; City Council</th>
<th>Outreach</th>
<th>Communications</th>
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<td>June</td>
<td>6/27 Power Cost of Service Study Session</td>
<td>Schedule meetings</td>
<td>Update web content</td>
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<tr>
<td>July</td>
<td>7/25 Water Rate Design Study Session</td>
<td>Schedule meetings</td>
<td>Newsletter story with public meeting dates</td>
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<tr>
<td>Aug</td>
<td>Franchise city meetings Communications to groups that couldn't be scheduled</td>
<td></td>
<td>Handouts for community Collect email addresses at presentations Bill messages directing customers to web</td>
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<tr>
<td>Sept</td>
<td>9/12 Study Session – Water &amp; Rail 9/28 Study Session – Power</td>
<td>Neighborhood Community Councils Communications to groups that couldn't be scheduled</td>
<td>Kick off video project</td>
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<td>10/10 Public Hearing 10/16 Joint study session 10/24 PUB Adoption</td>
<td>Neighborhood Community Councils Communications to groups that couldn't be scheduled</td>
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<td>Community presentations</td>
<td>Updates via web, email, bill</td>
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Acknowledgements

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Questions?