



RESOLUTION NO. U-11123

1 A RESOLUTION related to the purchase of materials, supplies, equipment
2 and the furnishing of services; authorizing the City officials to enter into
3 contracts and, where specified, waive competitive bidding requirements,
4 authorize sale of surplus property, or increase or extend existing
5 agreements.

6 WHEREAS the City of Tacoma, Department of Public Utilities, requested
7 bids/proposals for the purchase of certain materials, supplies, equipment and/or
8 the furnishing of certain services, or proposes to purchase off an agreement
9 previously competitively bid and entered into by another governmental entity, or
10 for the sales of surplus, or desires to increase and/or extend an existing
11 agreement, all as explained by the attached Exhibit "A," which by this reference
12 is incorporated herein, and

13 WHEREAS in response thereto, bids/proposals (or prices from another
14 governmental agreement) were received, all as evidenced by Exhibit "A," and

15 WHEREAS the Board of Contracts and Awards and/or the requesting
16 division have heretofore made their recommendations, which may include
17 waiver of the formal competitive bid process because it was not practicable to
18 follow said process, or because the purchase is from a single source, or there is
19 an emergency that requires such waiver, and/or waiver of minor deviations, and
20 in the case of sale of surplus, a declaration of surplus has been made certifying
21 that said items are no longer essential for continued effective utility service, as
22 explained in Exhibit "A," and
23
24
25
26



WHEREAS the Director requests authorization, pursuant to

1 TMC 1.06.269 A, to amend contract amounts up to \$200,000 and to approve
2 term extensions and renewals for all items contained in Exhibit "A;" Now,
3 therefore,
4

5 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

6 That the Public Utility Board of the City of Tacoma hereby concurs and
7 approves the recommendations of the Board of Contracts and Awards and/or
8 the requesting division, and approves, as appropriate: (1) the purchase and/or
9 furnishing of those materials, supplies, equipment or services recommended for
10 acceptance; (2) the sale of surplus materials, supplies or equipment
11 recommended for acceptance; (3) the Interlocal agreement that authorizes
12 purchase off another governmental entity's contract; (4) the increase and/or
13 extension of an existing agreement, and said matters may include waiver of the
14 formal competitive bid process and/or waiver of minor deviations, all as set forth
15 on Exhibit "A," and authorizes the execution, delivery and implementation of
16 appropriate notices, contracts and documents by the proper officers of the City
17 for said transactions, and (5) the administrative authority of the Director, per
18 TMC 1.06.269 A., to amend contract amounts up to \$200,000 and to approve
19 term extensions and contract renewals for all items in Exhibit "A."
20
21

22 Approved as to form:

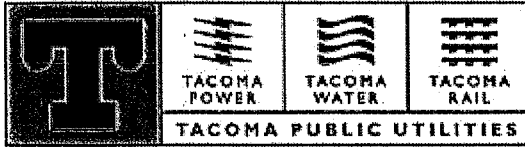
23 *Z C Merrill*
24 Chief Deputy City Attorney

Chair

Secretary

25 _____
26 Clerk

Adopted _____



RESOLUTION NO.: U-11123
ITEM NO.: 1
MEETING DATE: 12-4-19

TO: Board of Contracts and Awards
FROM: Tenzin Gyaltzen, Click! Network General Manager
Pam Burgess, Click! Business Operations Manager
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP
Coordinator, and Richelle Krienke, Finance/Purchasing
SUBJECT: Contract Extension and Supplemental Funding
Direct Negotiation, Contract No. 4600013468 – December 4, 2019
DATE: November 5, 2019

RECOMMENDATION SUMMARY:

Click! Network requests approval to increase Contract 4600013468 with Internet Service Provider Network (ISPN), Lenexa, KS, by \$100,000, plus any applicable taxes, to provide continued call center customer services, and extend the term for one year to October 31, 2020. This increase will bring the contract to a cumulative total of \$290,000, plus any applicable taxes.

BACKGROUND:

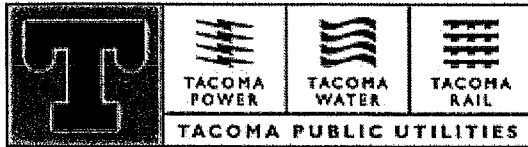
After solicitation of quotations from five vendors, a Direct Negotiation and funding in the amount of \$190,000 was approved September 11, 2018, and a contract was executed with ISPN to provide call center services for one year. ISPN's services have been found to be satisfactory.

ISSUE: Internet Service Provider Network's services are required for an additional year to support Click! retail customers during the interim period up to transition of operational control to a private partner. A longer period of time than originally estimated is required to effect a transition to a private partner. If the transition occurs prior to the conclusion of the extended one-year term, the contract may be cancelled without cause upon 30 days' written notice.

ALTERNATIVES: The alternative to extending and increasing this contract would require a renewed search for qualified call center services or to publish an RFP. Either alternative would require establishing a contract and paying for system setup, along with providing training on the details of Click! services and customer requirements. There is insufficient time before the expiration of this contract to accomplish those activities. Additionally, the transition of operational control to a private partner is anticipated to occur prior to the end of the requested extension period, making replacement of this contractor impractical.

COMPETITIVE ANALYSIS:

Click! requires a third-party call center vendor that specializes in cable television and Internet access services. Of the five firms found to be capable of handling cable TV billing and trouble calls, three opted not to participate in our request for quotation. Of the two that provided quotes, staff selected ISPN based on a comparison of pricing schedules and recommendation from ISPN's existing customer, Rainier Connect. At the time of the original request for quotation, the timeline to complete a transaction to transfer operational control of Click! was estimated to be completed by the 4th quarter of 2019. However, that transition timeline has been extended and Click!'s call center staff continue to transfer to new positions outside of Click!, requiring the continuing use of ISPN's services. The estimated remaining time until operational control is relinquished is too short to pursue a formal competitive procurement process.



CONTRACT HISTORY: This contract was originally awarded to Internet Service Provider Network for a one-year term in the amount of \$190,000 as a Direct Negotiation in September 2018; \$136,851 has been expended to date.

SBE/LEAP COMPLIANCE: Not Applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700-TELE 2019/2020 O&M Budget	552500	5330100	290,000
TOTAL			\$290,000

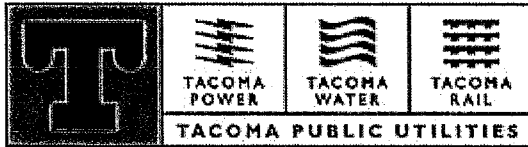
REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$290,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. NA



RESOLUTION NO.: U-11123
ITEM NO.: 2
MEETING DATE: DECEMBER 4, 2019

TO: Board of Contracts and Awards
FROM: Joe Tellez, Chief Technology Officer; Utility Technology Services
Andre Pedferri, Advance Metering Program Manager, Utility Technology Services
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP Coordinator, and Richelle Krienke, Finance/Purchasing
SUBJECT: Increase Contract for AM Consulting Services and Program Management Support
Request for Proposals Specification No. PS17-0196F, Contract No. 4600012876
– December 4, 2019
DATE: November 15, 2019]

RECOMMENDATION SUMMARY:

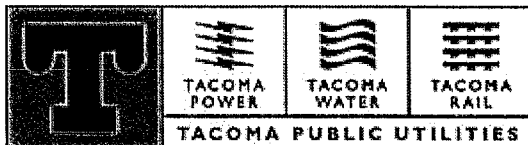
Tacoma Power, Utility Technology Services (UTS), Advanced Metering Infrastructure (AMI) Program requests approval to increase Contract No 46000012876, to Z2 Solutions LLC, Durango, CO, by \$583,324.00, plus any applicable taxes, for overall Test Coordination, Enhanced Deployment Support, Operational Planning, and Implementation Change Management during the project infrastructure and initial deployment area (IDA) phases of the AMI project. This increase will bring the contract to a cumulative total of \$2,628,524.00, plus any applicable taxes.

BACKGROUND:

A contract was awarded to Z2 Solutions LLC, Durango, CO, in September 2017, for consulting services for program management support, business process architecture, technology selection and architecture, and on-going implementation oversight during Tacoma Public Utilities' Advanced Metering implementation program. The contract is being further amended to expand the scope to include Test Coordination, Enhanced Deployment Support, Operational Planning, and Implementation Change Management during the project infrastructure and initial deployment phase.

ISSUE: In the course of the project execution, detailed program plans were developed, blue printing workshops conducted, and project vendors onboarded. Their work integrated into the overall project execution plans and in the course of the scope refinement, additional services are needed to support program success.

ALTERNATIVES: Z2 Solutions and their subcontractor Excergy are already deeply engaged in the project plan, build, and implementation phases of the project. The program requires significant effort and engagement across multiple stakeholders and Z2 Solutions is and has been critical to the support program advisor activities to the Utility and their customers. Another alternative at this stage of the program would prove costly.



COMPETITIVE SOLICITATION:

Request for Proposals Specification No. PS17-0196F was opened May 30, 2017. Five companies were invited to bid in addition to normal advertising of the project. Six submittals were received.

CONTRACT HISTORY: This contract was originally awarded to Z2 Solutions as a result of RFP Specification No. PS17-0196F in September 2017 in the amount of \$948,000. On July 1, 2018, the contract was increased by \$97,000 to \$1,045,200. On February 28, 2019, the contract was increased by \$800,000 to \$1,845,200 under resolution U-11060. On October 21, 2019, the contract was increased by \$200,000 to \$2,045,200.

SBE/LEAP COMPLIANCE: Not applicable

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700-Power			73% \$425,826.52
4600-Water			27% \$157,497.48
TOTAL			

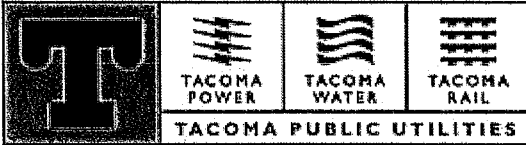
REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
N/A			
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$ 583,324.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED: N/A



RESOLUTION NO.: U-11123
ITEM NO.: 3
MEETING DATE: DECEMBER 4, 2019

TO: Board of Contracts and Awards
FROM: Joe Tellez, Chief Technology Officer; Utility Technology Services
Andre Pedferri, Advanced Metering Program Manager, Utility Technology Services
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP Coordinator, and Richelle Krienke, Finance/Purchasing
SUBJECT: Customer Engagement Portal Consulting Services, Direct Negotiation
SR2019293985 – December 4, 2019
DATE: November 15, 2019

RECOMMENDATION SUMMARY:

Power / Utility Technology Services / Advanced Metering Infrastructure (AMI) Program requests that a contract be awarded to Excergy Corporation of Denver, CO, for Customer Engagement Portal (CEP) consulting services to support CEP project management, engineering, development, deployment and testing, in the amount of \$718,681.00, plus any applicable taxes, for the year 2020.

STRATEGIC POLICY PRIORITY:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

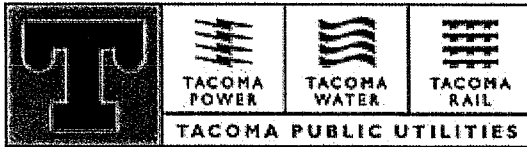
The Customer Engagement Portal will provide a convenient method for customers to monitor and control their energy and water consumption and is an essential part of the advanced metering project. Doing the project implementation right is one of our highest priorities. Engaging with an experienced consultant as the AMI Program sets up and implements the portal framework is essential to ensuring that it is successfully implemented at the lowest possible cost, and remains on schedule to meet the mass meter deployment timeline. Excergy is already providing related consulting services for the AMI Program and is deeply knowledgeable of the City's goals and desires for implementation.

ISSUE: AMI project staff are working to keep the mass meter deployment on schedule, which includes the CEP functionality that brings capabilities and services to our customers.

ALTERNATIVES: UTS considered utilizing Z2 Solutions LLC. However, Z2 is not an appropriate fit for the customer portal. The only other alternative is going out for RFP, which is also not feasible to meet the delivery requirement.

COMPETITIVE ANALYSIS:

Going out for competitive solicitation and bringing a new supplier up-to-speed on project goals would increase the cost and delay the planning more than six months. We believe the onboarding of a new contractor and subsequent planning delays would put the project success at risk and increase the overall project costs. Utilizing experienced and knowledgeable resources



already hired for the project is the most cost effective approach resulting in the highest probability of success.

CONTRACT HISTORY: New Contract

SBE/LEAP COMPLIANCE: Not applicable

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700- Power			73% \$524,647.13
4600-Water			27% \$194,043.87
TOTAL			

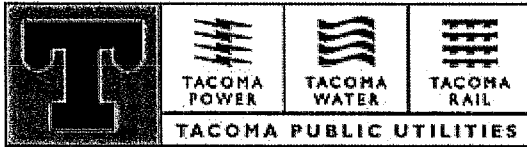
REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Not Applicable			
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$718,681.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A



Use direct negotiation doc submitted and approved in Ariba SR2019293985. What was drafted here was different than what was already approved.



City of Tacoma

Date: October 1, 2019

To: Jackie Flowers, Director

From: Joe Tellez
Power Section Manager

Subject: Authorization of Direct Negotiation for Professional Services and Personal Services over \$25,000

For your review and recommendation.

In accordance with TMC 1.06.256 (B), UTS / AMI requests a waiver of the competitive solicitation process and authorization to directly negotiate with **Excergy Corporation of Denver, CO**, for AMI Consulting Services for the Customer Engagement Portal (CEP) Implementation, for an amount of \$718,681.00, plus applicable sales tax.

Direct negotiation approval constitutes a waiver of further competitive solicitation for amendments to the subject contract provided that any such amendment(s) shall be signed by personnel as authorized in the Delegation of Procurement Signature and Approval Authority memorandum. Contract totals shall not exceed \$200,000 without City Council or Public Utility Board approval as appropriate.

EXPLANATION: Excergy to provide senior technical leadership to support project management, engineering, development, deployment and test of the CEP under the AMI project for Power and Water.

JUSTIFICATION FOR DIRECT NEGOTIATION:

1. Explain why it's in the best interest of the city to waive the competitive solicitation process.

Excergy is already providing professional consulting services for AMI under the Z2 contract for Power. Excergy has the complete knowledge of the City's goals and desires for implementation. Recently, Excergy was awarded an RFP for data analytics and signed a Master Business and Services Agreement with the City for all contract engagements.

2. Is this purchase based on a previous competitive solicitation conducted by the City or other agency? If yes, provide the contract information, specification number, etc., and explain the relationship of this request to the previous contract.

No

3. Describe the screening efforts made to identify potential service providers.

Tacoma Public Utilities is currently utilizing Excergy for AMI consulting through Z2. Z2 was also considered but found they are not a good fit for the Customer Engagement Portal services and Z2 services would cost considerably more. Excergy has already proved to be competent on the AMI project and Excergy already has deep knowledge of the project goals and current implementation strategy. Taking this portion of the AMI to solicitation would take



City of Tacoma

considerable time not only selecting a supplier, but bringing that supplier up to speed on the AMI goals and implementation strategy.

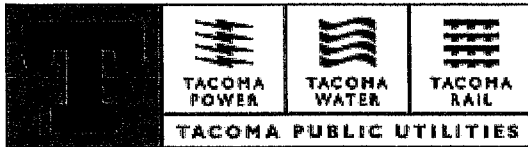
4. Describe the efforts made to assure that the City is receiving the lowest or best price possible.

Utilizing Excergy would save the Utility a great deal of money not going through the AMI Z2 contract or engaging in a separate solicitation. The City is saving considerable time and money not having to train an unknown supplier on AMI goals and strategy. A Master Agreement for Excergy is already executed and in place and will also save considerable time in negotiation as well as protect the City against risk as the Master contract is favorable toward City risks.

FUNDING: Funds for this purchase are available in the Order 80023422.

SBE COMPLIANCE: The Department/Division has checked the [City of Tacoma Small Business Enterprise \(SBE\) website](#) for opportunities to contract with SBE firms on June 21, 2019. The recommended vendor is not a registered SBE.

PROJECT COORDINATOR: Andre Pedferri (253) 502-8997.



RESOLUTION NO.: U-11123
ITEM NO.: 4
MEETING DATE: DECEMBER 4, 2019

TO: Board of Contracts and Awards
FROM: Chris Robinson, Power Superintendent/COO,
Chris Mattson, Generation Manager,
Eric Hoffman, Power Engineer IV, Power/Generation
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP
Coordinator, and Samol Hefley, Finance/Purchasing
SUBJECT: Mossyrock Unit 51 & 52 Generator Breaker Replacement
Request for Proposal Specification No. PG19-0176F – December 11, 2019
DATE: November 13, 2019

RECOMMENDATION SUMMARY:

Tacoma Power recommends a contract be awarded to ABB Inc., Princeton, NJ, for the Mossyrock Unit 51 & 52 Generator Breaker Replacement Project, in the amount of \$1,246,760, plus applicable taxes.

BACKGROUND:

Mossyrock Power Generating Station is located on the Cowlitz River. The powerhouse was constructed in the late 1960's and houses two 226 MVA generators. Power production began in 1968. The generators connect to the grid through 10,000 Amp gas-insulated breakers manufactured in 1999. Since that time the breakers have been maintained by the Cowlitz River Project staff with limited support from the Original Equipment Manufacturer (OEM).

ISSUES: Poor support by the OEM presents a significant risk of a extended period of a generating unit being unavailable. With the uprating of the two generating units and associated step-up transformers at Mossyrock between 2008 and 2010 the interrupting rating of the existing breakers is now marginal. This rating is critical to protecting the generator and associated equipment during fault conditions.

ALTERNATIVES: The only viable alternative to replacing the breakers is to continue to operate with the twenty-year-old breakers. This alternative increases the City's risk exposure to unplanned replacement and/or repair of a failed circuit breaker and the high monetary costs associated with unplanned and extended generator outages. The "refurbish existing" alternative was explored but was approximately 80% of the cost of the recommended solution and does not address the poor support of the OEM or address the marginal electrical interrupting rating of the equipment.

COMPETITIVE SOLICITATION:

Request for Proposal Specification No. PG19-0176F was opened August 27, 2019. Three (3) companies were invited to bid in addition to normal advertising of the project. Four (4) submittals were received with a total of five (5) proposed solutions. The specification allowed Respondents to provide the best solution for the given requirements, physical constraints, and technology available. Proposals were evaluated based on total cost of ownership, Bidder's responsibility, delivery schedule, and compliance with the specification.

ABB Inc., submitted a bid that resulted in the lowest evaluated submittal after consideration of SBE participation goals and the other evaluation criteria.



<u>Respondent</u>	<u>Location</u> (city and state)	<u>Score</u>
ABB Inc,	Princeton, NJ	91.0
CE Power (Alstom Option)	Cincinnati, OH	80.2
CE Power (ABB Option)		80.7
Alstom Grid, LLC	Charleroi, PA	78.4
Siemens Industry	Jackson, MS	77.5

Pre-bid Estimate: \$1,800,000 - \$2,200,000

The recommended award is approximately 38% percent below the pre-bid estimate.

CONTRACT HISTORY: New contract.

SBE/LEAP COMPLIANCE: Not applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power Fund 2019/2020	PWR-01010	5330100	\$1,246,760
TOTAL			

* General Fund: Generation

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power Fund 2019/2020	-	-	\$
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,246,760

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

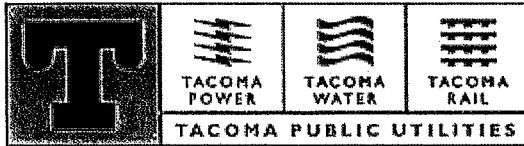
IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A

APPROVED:


Chris Robinson, Power Superintendent


Jackie Flowers, Director of Utilities

Criteria	Max Points	ABB	CE Power (GE/Alstom)	CE Power (ABB)	GE/Alstom	Siemens
Fixed Cost of Proposal (Materials, studies & testing)	N/A	\$919,986	\$1,353,400	\$1,581,250	\$1,455,100	\$1,458,321
Evaluated Cost of Ownership	15	15	10.2	8.7	9.4	9.5
Experience with Similar Projects	15	15	13	14	13	13
Compliance with Technical Provisions and ability to meet City Goals	20	18	13	14	13	12
Ability to Meet Schedule	15	15	15	15	15	15
Interviews & References and Past City Experiences	15	15	15	15	15	15
Terms and Conditions	15	13	14	14	13	13
Small Business Enterprise	5	0	0	0	0	0
Total	100	91.0	80.2	80.7	78.4	77.5



RESOLUTION NO.: U-11123

ITEM NO.: 5

MEETING DATE: DECEMBER 4, 2019

TO: Board of Contracts and Awards
FROM: Chris Robinson, Power Superintendent/COO,
Chris Mattson, Generation Manager
Karen Hedlund, Generation Project Manager
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP
Coordinator, and Samol Hefley, Finance/Purchasing
SUBJECT: Professional Services Contract
Architectural and Engineering (A&E) Roster, Contract No. C831 – December 4, 2019
DATE: November 13, 2019

RECOMMENDATION SUMMARY:

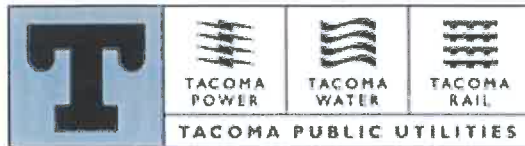
Tacoma Power requests approval to increase Contract No. C831, to Olsson, Inc., Lincoln, NE by \$50,000, plus any applicable taxes, to provide additional engineering services during the construction and commissioning phase of the Cowlitz Trout Hatchery Ozone Generator Replacement Project. This increase will bring the contract to a cumulative total of \$250,000, plus any applicable taxes.

BACKGROUND:

Tacoma Power has a project underway to replace the 28-year-old ozone generators at the Cowlitz River Hydro Project's Trout Hatchery. Ozone treatment systems are an essential component to the treatment of raw river water to remove disease and produce a reliable, clean water supply for fish health at the hatchery facility. The existing ozone generators are operating unreliably, are beyond their expected service life and are no longer supported by the original manufacturer. Engineering design and specifications related to ozone treatment systems are a niche industry due to the hazardous nature of ozone. Tacoma Power has an existing contract with Olsson, Inc., to provide Owner's Engineer services for engineering review, design, and bid-specifications. Olsson, Inc. has experience with ozone generator piping design and specifications.

ISSUE: Tacoma Power needs the experience and expertise of a firm well-versed in ozone treatment system design, manufacturing, and construction to provide Owner's Engineer services during construction and commissioning of this highly technical and complex project.

Tacoma Power does not have the engineering expertise in-house to support resolution of design issues during construction and commissioning. Olsson, Inc.'s experience in commissioning ozone treatment systems will supplement the Department's commissioning expertise. There are few firms who have the necessary qualifications for this type of Project. Tacoma Power requires an Owner's Engineer who has the knowledge, experience and expertise related to the generating, transportation and dissolution of ozone. A professional working relationship between Olsson, Inc. and Tacoma Power already exists, and Olsson, Inc. has the qualifications necessary for the Project. Olsson, Inc. has provided engineering review, piping design and support for bid-specifications related to the procurement, manufacturing, and delivery of the ozone generator equipment, and has a proven record of engineering expertise. Tacoma Power believes Olsson, Inc. is the best suited firm to provide the required services.



ALTERNATIVES:

Costs to the City to find another qualified firm would include lost time in the project schedule, use of City labor resources to find, vet and negotiate a contract with the new firm, and a loss of continuity amongst the project team.

COMPETITIVE ANALYSIS:

The City's Architectural and Engineering (A&E) roster was used to select the recommended firm, Olsson, Inc., based on their qualifications, experience and expertise with ozone treatment system design, manufacturing, construction and commissioning, and the Department's familiarity with the firm.

CONTRACT HISTORY: This contract was awarded as a result of selection from the City's A&E roster to Olsson, Inc. in March, 2019. The original contract award was not to exceed \$150,000. The first amendment to the contract increased by \$50,000 for a cumulative total of \$200,000. This is the second amendment to the contract which will increase the total contract amount to \$250,000.

SBE/LEAP COMPLIANCE: Not applicable

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power Fund 2019/2020	PWR-09117	5310100	\$250,000.00
TOTAL			

* General Fund: Generation

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power Fund 2019/2020	-	-	-
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$\$250,000 is budgeted

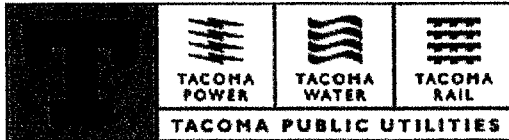
ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A


Chris Robinson, Power Superintendent

APPROVED:

Jackie Flowers, Director of Utilities



RESOLUTION NO.: U-11123
ITEM NO.: 6
MEETING DATE: DECEMBER 4, 2019

TO: Board of Contracts and Awards
FROM: Glen George, Water Supply Manager (Interim), TPU Water Division
Michael Washington, Principal Engineer, TPU Water Supply Section
COPY: Public Utility Board, Jackie Flowers, Director, Clifford Armstrong, SBE
Coordinator, LEAP Coordinator, and Alex Clark, Senior buyer,
Finance/Purchasing
SUBJECT: **Request for Qualifications** WS19-0092F – Consultant Services for Pipeline No.
1 Pressurization Evaluation
– Requested Utility Board Date – December 4, 2019
DATE: November 7, 2019

RECOMMENDATION SUMMARY:

Tacoma Water recommends a contract be awarded to Jacobs Engineering, Bellevue, WA, for providing engineering consulting services to develop a plan for pressurizing Tacoma Water's Pipeline No. 1 in the total amount of \$624,537. The contract will expire on December 31, 2020.

BACKGROUND:

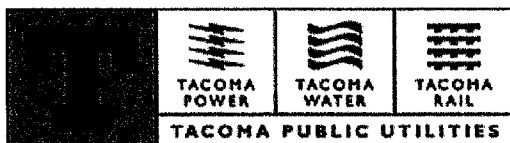
Tacoma Water's Pipeline No. 1 has been a critical piece of Tacoma Water's infrastructure since 1912. The transmission pipeline delivers water from the Green River Filtration facility (GRFF) to McMillin reservoir in South Hill, Washington. The pipeline is constructed of steel and concrete sections and varies in size from 30"-78" in diameter.

The pipeline was designed as a gravity main to flow unrestricted and in that condition, it ran at its maximum capacity (72 million gallons per day) between the 1950s and the late 1970s. Excess or turbid water that could not be delivered to customers was diverted from the pipeline to the Puyallup River at McMillin reservoir. In the 1980s, regulations changed and Tacoma Water could no longer send chlorinated water to the Puyallup River. Flow control was installed at the Headworks so Tacoma Water could only take the amount of water needed to supply in-town demands.

By reducing the flow in the pipeline, there are certain section that are not fully pressurized (i.e. do not flow full). This condition is known as fluming. Fluming sections have the potential for contaminants to enter into the pipeline if it is not fully pressurized and impact the quality of the water we send to our customers.

WAC 246-290-230(9) governs the design of a potable water transmission main and requires the pipeline to have a minimum pressure of 5 pounds per square inch (psi) during normal operations, except when directly adjacent to storage tanks. Under low flow conditions, common at this time, over a third of Pipeline No.1 does not meet this requirement.

In 2018, the Washington State Department of Health performed a sanitary survey on Tacoma Water's system and reported that Pipeline No. 1 had a "significant deficiency". They requested Tacoma Water to develop an approach to pressurizing the pipeline and include the approach



need to be incorporated into Tacoma Water's Capital Improvement Plan (CIP) can continue to prioritize P1 as we update our CIP.

Tacoma Water needs to hire a consultant with the expertise and resources to help create this plan. The plan will identify work to be performed over a twenty year period at an high level estimated cost between \$60 and \$150 million to complete the project.

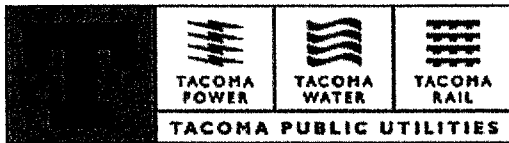
COMPETITIVE SOLICITATION:

Request for Qualifications Specification No. WS19-0092F was opened Tuesday, May 7, 2019. Two (2) companies were invited to bid in addition to normal advertising of the project. Three (3) submittals were received. A Selection Advisory Committee (SAC) composed of subject matter experts in Water reviewed the submittals to evaluate the qualifications of each of the firms. On Thursday, May 16, 2019, the SAC team members met to consolidate scores and discuss the results. The RFQ was evaluated on Team Structure (10pts), Project Manager's Qualifications and Experience (30pts), Experience with Past Projects Similar in Scope (30pts), Experience with Past Projects with Public Agencies (5pts), Team Experience - Analytical Capabilities (20pts), Team Experience - Design and Construction Capabilities (20pts), Proximity of Staff to Tacoma and Project Site (10pts), Sustainability (5pts), and Small Business Enterprise (5pts). Initial results indicated Jacobs Engineering was the most qualified firm to perform the work with HDR and RH2 Engineers ranking second and third. The SAC team felt the point differential between the first and second ranked firms was close and recommended interview should be done to see if the outcome would change.

On Tuesday, June 25, 2019, interviews were held with both firms. The SAC team deliberated after the interviews and was unanimous that the interviews had no impact on the scoring. Jacobs Engineering was the most qualified to perform the work. The SAC team recommended to enter into contract negotiations. The table below reflects the scoring:

<u>Respondent</u> RFQ	<u>Location</u> (city and state)	<u>Score</u>
Jacobs Engineering	Bellevue, WA	890
HDR	Bellevue, WA	856
RH2 Engineers	Tacoma, WA	667

CONTRACT HISTORY: New contract.



SBE/LEAP COMPLIANCE: All three firms met the SBE goal and received full points in that category.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Tacoma Water Operating Fund	584104	5310100	\$624,537
TOTAL			\$624,537

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Tacoma Water Operating Fund		581100	\$624,537
TOTAL			\$624,537

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$624,537

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A.

Scott Dewhirst, Water Superintendent

APPROVED:

Jackie Flowers, Director of Utilities

Exhibit C - Budget for Pipeline 1 Pressurization Project

Tasks	Labor	Expenses	Total
Task 1. Chartering Workshop	\$20,649	\$1,500	\$22,149
<u>Task 2. Risk Quantification</u>			
2.1 Risk Impact of Variable Pipeline 1 Capacity	\$24,089		\$24,089
2.2 Risk Reduction Value per Alternative	\$38,508		\$38,508
2.3 Prioritization of Projects Addressing Vulnerable Pipeline 1 Segments	<u>\$32,661</u>		<u>\$32,661</u>
Subtotal	\$95,258		\$95,258
<u>Task 3. Pipeline 1 Assessment</u>			
3.1 Review Existing Information.....	\$12,518		\$12,518
3.2 Hydraulic Analysis	\$26,623		\$26,623
3.3 Design Pressure Capacity of Existing Pipeline	\$13,876		\$13,876
3.4 Pipeline Alignment Examination	\$61,398	\$5,000	\$66,398
3.5 Impact to Pipeline 1 of the Turnout Pump Stations	<u>\$14,390</u>		<u>\$14,390</u>
Subtotal	\$128,805	\$5,000	\$133,805
<u>Task 4. Cost of Ownership of Pipeline 1</u>			
4.1 Review Furnished Data	\$9,046		\$9,046
4.2 Establishing Pipeline 1 Segments	\$9,638		\$9,638
4.3 "Supercharging" Tacoma Water Lifecycle Model	\$23,243		\$23,243
4.4 Estimate Cost of Ownership for Existing Pipeline 1 Operations	\$41,468		\$41,468
4.5 Estimate Cost of Pressurized Pipeline 1 Operations Alternatives	\$36,945		\$36,945
4.6 Cost of Ownership Technical Memorandum	<u>\$31,824</u>		<u>\$31,824</u>
Subtotal	\$152,164		\$152,164
<u>Task 5. Alternatives Development</u>			
5.1 Pressurize Existing Pipeline 1			
5.1.1 Flow Control Facility at Fennel Creek (Alternative 1A)	\$7,553		\$7,553
5.1.2 Flow Control Facility.....One PRV Station (Alternative 1B)	\$7,553		\$7,553
5.1.3 Flow Control Facility.....Multiple PRV Stations (Alternative 1C)	\$7,553		\$7,553
5.2 Pressurize Existing P1 and Avoid Pumping at WTP Clearwell			
5.2.1 Avoid Pumping.....(Alternative 2A)	\$7,553		\$7,553
5.2.2 Avoid Pumping.....(Alternative 2B)	\$7,553		\$7,553
5.2.3 Avoid Pumping.....(Alternative 2C)	\$7,553		\$7,553
5.3 Abandon Pipeline 1 as Supply Pipeline (Alternative 3A)	\$7,553		\$7,553
5.4 Description of Alternatives Technical Memorandum	<u>\$11,911</u>		<u>\$11,911</u>
Subtotal	\$64,779		\$64,779
Task 6. Estimated Costs	\$18,762		\$18,762
<u>Task 7. Alternatives Evaluation</u>			
7.1 Evaluation Criteria	\$19,773		\$19,773
7.2 Evaluation Workshop	<u>\$32,594</u>	<u>\$2,200</u>	<u>\$34,794</u>
Subtotal	\$52,367	\$2,200	\$54,567
Task 8. Scheduling Plan for Pressurization	\$8,376		\$8,376
Task 9. Pipeline 1 Implementation Plan	\$16,583		\$16,583
Task 10. Project Management	\$57,095	\$1,000	\$58,095
Total	\$614,837	\$9,700	\$624,537

TACOMA WATER

STATEMENT OF QUALIFICATION (SOQ) EVALUATION FORM (TO OBTAIN "SHORT LIST" OF QUALIFIED FIRMS FOR INDIVIDUAL PROJECT)

Name of Project:

CONSULTANT SERVICES FOR PIPELINE NO. 1
PRESSURIZATION EVALUATION
SPECIFICATION NUMBER: WS19-0092F

Evaluator:

Evaluation Due Date:

16-May-19

Firm Evaluated:

Jacobs

Firm's Address:

1100 112th Avenue NE, Suite 500, Bellevue, WA

CRITERIA	MAX POINTS	RATING (0 - POOR TO MAX POINTS - BEST)
Team Structure	10	
Project Manager's Qualifications and Experience	30	
Experience with Past Project Similar in Scope	30	
Experience with Past Project Similar with Public Agencies	5	
Team Experience - Analytical Capabilities	20	
Team Experience - Design and Construction Capabilities	20	
Proximity of Staff to Tacoma and Project Site	10	
Sustainability	5	
SBE Small Business Enterprise	5	
Max points possible	135	
Grand Total of Points		0
Comments:		

CONSULTANT SERVICES FOR PIPELINE NO. 1 PRESSURIZATION EVALUATION

Firm			
Evaluator	Jacobs*	HDR*	RH2 Engineers
Michael	127	128	111
Chris	122	120	99
Glen	125	126	78
Ryan	130	128	93
Jodi	127	106	73
Kim	128	121	91
Seth	131	127	122
Total	890	856	667

*Recommend to have interview



RESOLUTION NO. U-11124

1 A RESOLUTION formalizing recent coordination improvements for the City's
2 government relations operations, and outlining additional structural actions
3 to enhance the harmony and effectiveness of government relations efforts
between General Government and the Department of Public Utilities.

4 WHEREAS the City has certain policy advocacy needs with various levels of
5 government, and

6 WHEREAS government relations efforts are carried out by professional staff
7 and contractor resources, and rely upon subject matter expertise of departmental
8 staff, and

9 WHEREAS recent improvements in the collaboration of government
10 relations efforts, led by the City Manager and Director of Public Utilities, include
11 regular coordination on Citywide legislative policies, City Council adoption of the
12 legislative agendas approved by the Public Utility Board, and joint staff
13 presentations on legislative priorities by General Government and Department of
14 Public Utilities staff to policymakers, and

15 WHEREAS these improvements have enhanced the harmony and
16 effectiveness of government relations efforts undertaken by and across the City,
17 and

18 WHEREAS the City Manager and Director of Public Utilities recommend
19 that the City build upon the recent success of these efforts and offer additional
20 recommendations for increasing the harmony and effectiveness of policy advocacy
21 work, and



1 WHEREAS it is recommended that an ex officio, non-voting, membership
2 position for the Chair of the Public Utility Board be added to the Government
3 Performance and Finance Committee ("GPFC") of the City Council, and
4

5 WHEREAS it is further recommended that metrics relating to the
6 coordination of government relations efforts between General Government and the
7 Department of Public Utilities be added to the performance review criteria for both
8 the City Manager and Director of Public Utilities, and that the City Manager and
9 Director of Public Utilities collaborate with policymakers to develop metrics prior to
10 their next performance reviews, and
11

12 WHEREAS the City Manager and Director of Public Utilities will identify
13 methods in which the City Council and Public Utility Board are apprised of
14 emerging issues which require policymaker direction, and shall further identify
15 methods for providing updates on government relations activities to the Mayor, City
16 Council, and Public Utility Board on a regular basis, and
17

18 WHEREAS the GPFC passed a motion at its meeting of August 20, 2019, to
19 advance a Resolution to the City Council for consideration, to formalize the recent
20 improvements and recommended enhancements related to government relations
21 between General Government and the Department of Public Utilities, and for an
22 identical Resolution to be considered by the Public Utility Board: Now, therefore,
23 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:
24

25 Section 1. That the Board agrees that the City Manager and Director of
26 Public Utilities, respectively, shall implement systematic changes to enhance the



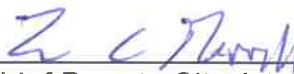
1 harmony and effectiveness of government relations between General Government
2 and the Department of Public Utilities, to include joint presentations to the City
3 Council and Public Utility Board on the legislative agenda and amendments to the
4 City's Legislative Policy Statement. The City Manager and Director of Public
5 Utilities shall identify methods in which the City Council and Public Utility Board are
6 apprised of emerging issues which require policymaker direction, and shall further
7 identify methods for providing updates on government relations activities to the
8 Mayor, City Council, and Public Utility Board on a regular basis.

9
10
11 Section 2. That the Board agrees that an ex officio, non-voting,
12 membership position for the Chair of the Public Utility Board shall be added to the
13 Government Performance and Finance Committee of the City Council.

14
15 Section 3. That the Board agrees that metrics relating to the coordination of
16 government relations efforts between General Government and Department of
17 Public Utilities shall be added to the performance review criteria for both the City
18 Manager and Director of Public Utilities. The City Manager and Director of Public
19 Utilities will collaborate with policymakers to develop said metrics prior to their next
20 performance reviews.

21 Approved as to form:

22 _____
Chair

23 
24 _____
Chief Deputy City Attorney

25 _____
Secretary

26 _____
Clerk

Adopted _____

of December 4, 2019

REQUEST FOR RESOLUTION

Date: November 18, 2019

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

A resolution formalizing recent coordination improvements for the City's government relations operations, and outlining additional structural actions to enhance the harmony and effectiveness of government relations efforts between General Government and the Department of Public Utilities.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

The requested resolution would formalize recent coordination improvements in the City's government relations operations and set forth additional structural actions to enhance the harmonization of government relations efforts across General Government and the Department of Public Utilities.

3. Summarized reason for resolution:

While there have been recent improvements in the harmonization of government relations work between General Government and the Department of Public Utilities, the City Manager and Director of Public Utilities recommend that the City of Tacoma build upon the recent success of these efforts and implement structural enhancements to promote the goal of government relations synergy that would be adopted by both the Public Utility Board and City Council via companion resolutions.

4. Attachments:

5. ☐ Funds available ☐ Proposed action has no budgetary impact

6. Deviations requiring special waivers:

Originated by:

Clark Mather
Community & Government Relations
Manager
Section Head

Requested by:

Jim Sant
Deputy Director of Public Affairs &
Communications
Division Head

Approved:


Director of Utilities



RESOLUTION NO. U-11125

1 A RESOLUTION confirming and approving Tacoma Public Utilities ("TPU")
2 state and federal legislative policies.

3 WHEREAS the City of Tacoma, Department of Public Utilities, Public
4 Affairs & Communications Division, desires the Public Utility Board confirm and
5 approve TPU's state and federal legislative policies ("TPU Legislative Policies")
6 which summarizes TPU's positions on certain federal and state issues, and
7

8 WHEREAS TPU's Legislative Policies were last approved by the Board
9 on December 12, 2018, and the proposed TPU Legislative Policies, attached as
10 Exhibit A, provide a statement of TPU's policies on certain critical public policy
11 issues; Now, Therefore,

12 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

13 That the proposed TPU Legislative Policies, as set forth in the attached
14 Exhibit A, is confirmed and approved.
15

16 Approved as to form:

17 
18 Chief Deputy City Attorney

Chair

Secretary

19 Clerk

Adopted



TPU Legislative Policies

TPU General Issues – Comprehensive

- TPU supports consistency between federal and state policies affecting utilities.
- TPU supports economically sound policies that encourage and reward energy and water conservation and that assist efficiencies in utility delivery and use.
- TPU supports programs that assist lower-income customers.
- TPU supports policies for protection of the natural environment, including stream protection, and that support public stewardship of fishery resources and wildlife habitat.

TPU General Issues – Federal

- TPU supports policies that allow for and protect tax-exempt financing for publicly-owned utilities.
- TPU supports federal cybersecurity policies that complement utility actions to deter cyberattacks.

TPU General Issues – State

- TPU supports local control of municipal utilities and opposes unfunded mandates and mandated rate structures.
- TPU opposes the diversion by the State of utility tax revenues to non-related uses, as well as diversion of revenues intended for infrastructure financing assistance to non-related programs.
- TPU supports retention and protection of municipal utility lien authority.
- TPU supports the approval and funding of utility facilities and services consistent with state policies of growth management and regional efficiencies.
- TPU opposes authority for counties to impose taxes on utility service already subject to local utility or gross earnings taxes.
- TPU opposes policies that would shift the obligations of building and construction parties onto utility providers (including undergrounding utilities).



Tacoma Power – Comprehensive

- TPU supports consistent statutory recognition of hydropower as a renewable, emissions-free resource.
- TPU supports proposals for greenhouse gas emissions reduction that achieve the most efficient carbon emission reduction at reasonable cost to utility customers, and are market based, economy wide, and coordinated with regional or national strategies. If policymakers implement greenhouse gas reduction policies, they should appropriately acknowledge and credit hydropower as a carbon-free generating resource and recognize the role the electricity sector could play in reducing carbon emissions in the transportation sector. Any changes in federal or state policy must be sensitive to rate pressures, especially on lower income customers.
- TPU opposes the imposition by federal or state government of pole attachment requirements and ratemaking formulas.

Tacoma Power – Federal

- TPU supports retention of primary authority for energy reliability with the North American Electric Reliability Corporation (NERC).
- TPU supports efficiencies and streamlining of Federal Energy Regulatory Commission (FERC) hydropower licensing and relicensing policies.
- TPU supports reasonable regulation of trading markets, including under the Dodd-Frank Act, and accommodations for utilities by the Commodity Futures Trading Commission (CFTC).
- TPU opposes the imposition of regional power markets in the Pacific Northwest that would lead to additional jurisdiction by FERC and add costs to ratepayers.
- TPU supports modifications to, or related to, the Columbia River Treaty that would equitably distribute the power benefits gained from the Treaty between the United States and Canada.
- TPU supports policies that appropriately acknowledge and credit ongoing ratepayer investment in emissions-free hydropower electric generating resources.

Tacoma Power – State

- TPU supports reasonable amendments to reporting and portfolio statutes that would better recognize energy efficiency and renewable hydropower.
- TPU supports the recognition of energy efficiency in statutes, regulations, and codes relating to building construction and operation.
- TPU supports distributed generation policies that facilitate customer choice for on-site generation and provide utility flexibility to design equitable price structures that balance costs and benefits.
- TPU supports the development of evolving distribution level services and technologies.
- TPU supports in-lieu of tax payments to local governments by power generators that are predictable, equitable, and justified.
- TPU supports current law provisions on preemption of local land use, development regulations, or rights-of-way provisions dealing with location of transmission or distribution facilities or lines.
- TPU supports additional state funding that would make residential solar generation and community solar projects financially feasible for low-income customers and TPU's broader customer base.



Tacoma Water – Comprehensive

- TPU supports policies that assist public utilities in developing, upgrading, and maintaining infrastructure.
- TPU supports policies to protect drinking water sources and supplies, including requirements for spill prevention and reporting.

Tacoma Water – Federal

- TPU supports adequate funding of the Water Infrastructure Finance and Innovation Act (WIFIA).
- TPU supports adequate funding of the Drinking Water State Revolving Fund (DWSRF).
- TPU supports maintenance, enforcement, and funding of federal commitments related to the Howard Hanson Dam, including for downstream fish passage.

Tacoma Water – State

- TPU supports retention of the Public Works Trust Fund (Public Works Assistance Account) and continued use of its revenue streams for utility-related infrastructure financing, and opposes diversion of those funds based on inequitable considerations or formulas.
- TPU supports policies that recognize and protect the reasonable use of municipal water rights and allow for flexible mitigation options.
- TPU supports modernization of provisions on state water rights permitting, and opposes efforts to weaken notice requirements for such decisions.
- TPU supports adequate and reliable funding of water programs administered by the Departments of Ecology and Health.
- TPU supports policies encouraging regional water supply and delivery, and state assistance for small system consolidation. TPU is committed to participate with other governments in efforts to deal with comprehensive regional and state water management.



Tacoma Rail – Comprehensive

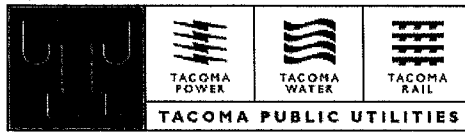
- TPU supports reasonable safety policies, and opposes proposals that would unfairly burden short line carriers or inhibit their shipment of materials and goods.
- TPU opposes policies that would inhibit the ability to serve its customers.
- TPU supports policies that recognize that rail transportation of freight and goods is the most effective, efficient, and environmentally friendly mode of transportation.

Tacoma Rail – Federal

- TPU supports retention and expansion of federal policies that would lead to infrastructure maintenance and construction, such as inclusion of funding programs for short-line rail infrastructure in the federal surface transportation reauthorization legislation or as stand-alone legislation.

Tacoma Rail – State

- TPU supports policies that would provide incentives for rail transportation and ongoing funding of grant and loan programs for rail infrastructure upgrades.



Click! – Comprehensive

- TPU opposes proposals to prohibit or inhibit the provision of telecommunications by municipalities.
- TPU supports reforms to federal retransmission consent policies that provide local cable operators an equal footing in negotiations on retransmission consent agreements.
- TPU supports net neutrality.

of December 4, 2019

REQUEST FOR RESOLUTION

Date: November 18, 2019

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

A resolution approving TPU's state and federal legislative policies.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

A resolution is requested to approve TPU's state and federal legislative policy document that summarizes TPU's position on certain federal and state issues.

3. Summarized reason for resolution:

TPU's legislative policies are generally updated and approved by the Public Utility Board on an annual basis. TPU's legislative policies were last approved by the Public Utility Board via Resolution U-11046 on December 12, 2018.

4. Attachments:

a. Proposed final legislative policy statement

5.

☐

Funds available



Proposed action has no budgetary impact

6. Deviations requiring special waivers:

Originated by:

Clark Mather
Community & Government Relations
Manager

Section Head

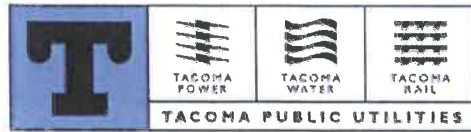
Requested by:

Jim Sant
Deputy Director of Public Affairs &
Communications

Division Head

Approved:

Director of Utilities



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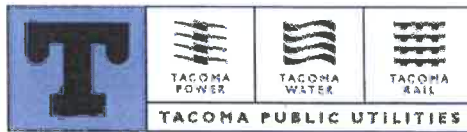
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- TPU supports modernization of provisions on state water rights permitting, and opposes efforts to weaken notice requirements for such decisions.
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Tacoma Rail – Comprehensive

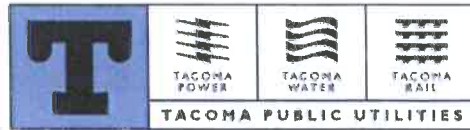
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- TPU opposes policies that would inhibit the ability to serve its customers.
- TPU supports policies that recognize that rail transportation of freight and goods is the most effective, efficient, and environmentally friendly mode of transportation.

Tacoma Rail – Federal

- TPU supports retention and expansion of federal policies that would lead to infrastructure maintenance and construction, such as inclusion of funding programs for short-line rail infrastructure in the federal surface transportation reauthorization legislation or as stand-alone legislation.

Tacoma Rail – State

- TPU supports policies that would provide incentives for rail transportation and ongoing funding of grant and loan programs for rail infrastructure upgrades.



Click! – Comprehensive

- TPU opposes proposals to prohibit or inhibit the provision of telecommunications by municipalities.
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- TPU supports net neutrality.



RESOLUTION NO. U-11126

1 A RESOLUTION authorizing the advocacy of certain state and federal
2 legislative agenda items for 2020.

3 WHEREAS the Department of Public Utilities, Public Affairs &
4 Communications Division, has proposed a legislative agenda of items they
5 plan to advocate for at state and federal levels during 2020, and

6 WHEREAS, attached as Exhibit A, are specific agenda items that
7 reflect certain proactive policy objectives that are consistent with TPU's
8 legislative policies and that will be advocated for at the state and federal
9 levels, Now, Therefore,

10
11 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

12 That the Public Affairs & Communications Division's proposed state
13 and federal legislative agenda items listed in Exhibit A are approved for
14 advocacy in 2020.

15 Approved as to form:

16 
17 Chief Deputy City Attorney

Chair

Secretary

18
19 Clerk

Adopted



Tacoma Public Utilities 2020 Legislative Agenda

TPU-Wide – Federal

- **Protecting/amending tax exempt financing:** TPU supports legislation that promotes the availability of tax-exempt municipal bonds. TPU will support proposals that revoke recent changes relating to the advanced refunding of bonds. Tax exempt municipal bonds keep costs low for customers.

Tacoma Power – Federal

- **Increase funding for the Low Income Home Energy Assistance Program:** Tacoma Power continues to support federal appropriations for the Low Income Home Energy Assistance Program (LIHEAP).
- **Provide funding for the Hydropower Incentive Program:** Tacoma Power continues to support federal appropriations for the Department of Energy's Hydropower Incentive Program. The program provides payments to hydropower utilities, including Tacoma Power, for hydroelectric production that was added to an existing dam or conduit.
- **Support certain improvements to federal hydroelectric relicensing statutes:** Tacoma Power supports efficiencies and streamlining of the Federal Energy Regulatory Commission (FERC) hydropower licensing and relicensing policies, similar to bipartisan proposals put forward by Sen. Maria Cantwell and Sen. Lisa Murkowski in the 115th Congress.
- **Carbon reduction policies:** TPU will actively engage in and seek to support proposals that decarbonize the economy at reasonable costs to customers and that appropriately acknowledge and credit hydropower as a carbon-free generating resource.
- **Support proposals to improve BPA's competitiveness:** TPU will continue to support federal proposals to improve BPA's competitiveness. Specific examples include legislation that would more accurately allocate Federal Columbia River Power System (FCRPS) costs to BPA customers and authority to directly purchase carbon allowances as a result of wholesale power sales.
- **Support legislation to maintain municipal utility control over poles and pole attachment rate setting:** TPU supports legislation that would ensure that municipally-owned utilities maintain their historic authority to safely manage pole attachments on utility poles.



- **Support federal programs to improve broadband access for lower-income residents:** TPU will support federal programs, including the FCC's Lifeline Program, that help make broadband services more affordable for low-income residents.

Tacoma Water – Federal

- **Support implementation of the Howard Hanson Dam – Additional Water Storage Project:** Tacoma Water continues to support federal authorization, appropriations, and actions necessary to complete the Howard Hanson Dam – Additional Water Storage Project. Any federal action must respect federal/non-federal cost share agreements already in place. TPU believes Howard Hanson Dam fish passage and the Additional Water Storage Project are critical to salmon and orca recovery as a construction-ready project with broad impact.
- **Support full funding of the Water Infrastructure Finance and Innovation Act (WIFIA):** Tacoma Water is supportive of appropriations to fully fund the Water Infrastructure Finance and Innovation Act (WIFIA).
- **Support funding for the Drinking Water State Revolving Fund:** Tacoma Water supports adequate appropriations for the Drinking Water State Revolving Fund.

Tacoma Rail – Federal

- **Support permanent extension of the Railroad Track Maintenance Credit:** Tacoma Rail supports permanent extension of the Railroad Track Maintenance Credit – or “45G” tax credit. Tacoma Rail receives about \$250,000 in annual revenues from the 45G tax credit. Those funds have been used for a number of safety upgrades as well as to comply with unfunded federal requirements mandated by the 2008 Rail Safety Act.
- **Establish capital grant program for short line railroads:** Tacoma Rail seeks to work with Congress to establish a short line specific freight railroad state-of-good-repair program as part of the federal freight/rail title and other federal programs. Specifically, establishment of a competitive capital grant program for short line regional railroad infrastructure improvement projects.

Tacoma Power – State

- **Carbon reduction policies:** Washington lawmakers have indicated that they will continue to focus on legislative solutions aimed at decarbonizing Washington State's economy. TPU will actively engage in and seek to support proposals that decarbonize the economy at reasonable costs to customers and that appropriately acknowledge and credit hydropower as a carbon-free generating resource.



- **Support equal treatment of hydropower:** Tacoma Power customers have invested in renewable, carbon-free hydroelectric generating facilities for decades. These facilities will continue to require significant reinvestment to ensure their future safe and reliable operation. During the 2019 Legislative Session, other renewable generating resources were given special tax treatment. TPU will continue to advocate for consistent tax treatment or alternative approaches that support equal treatment of all renewable, carbon-free resources.

Tacoma Water – State

- **Support the Public Works Trust Fund:** More than 6.2 million Washington State residents, 85 percent of the state's population, get their drinking water from public water systems. Nationally, \$4.8 trillion needs to be invested over the next 20 years to support a resilient system and keep up with aging water infrastructure. The Public Works Trust Fund (PWTF) is a crucial funding program for many communities around our state providing low-interest loans to help maintain vital public infrastructure. TPU supports public water systems and city partners in their request to fully restore funding to the PWTF.
- **Support improvements to the Underground Utility Damage Prevention Act:** The Underground Utility Damage Prevention Act, also referred to as the "Call Before You Dig Law," governs safe excavation practices near underground utility facilities. TPU supports the interim work of the Dig Law Safety Committee to bring forward four changes to update the current law.

Tacoma Rail – State

- **Support funding for East End Locomotive Facility:** The State of Washington administers both a grant program and a loan program designed to support freight rail capital needs. Tacoma Rail has applied for one project under the Freight Rail Assistance Program. If awarded, the funds would be used to help update the East End Locomotive Facility.

of December 4, 2019

REQUEST FOR RESOLUTION

Date: November 18, 2019

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

A resolution approving TPU's state and federal legislative agenda(s).

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

A resolution is requested to approve TPU's state and federal legislative agenda(s).

3. Summarized reason for resolution:

TPU's legislative agendas are some of the proactive policy objectives, consistent TPU's legislative policies, that TPU staff will advocate for at the state and federal levels. TPU's legislative agenda(s) were last approved by the Public Utility Board via Resolution U-11407 on December 12, 2018.

4. Attachments:

a. Proposed final legislative agendas.

5.



Funds available

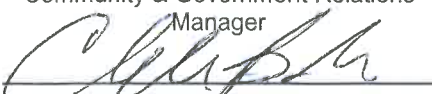


Proposed action has no budgetary impact

6. Deviations requiring special waivers:

Originated by:

Clark Mather
Community & Government Relations
Manager


Section Head

Requested by:

Jim Sant
Deputy Director of Public Affairs &
Communications


Division Head

Approved:


Director of Utilities

Tacoma Public Utilities 2020 Legislative Agenda

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RESOLUTION NO. U-11127

A RESOLUTION authorizing the approval of a contract with Lamar Company LLC, for outdoor advertising.

WHEREAS, the Lamar Company LLC ("Lamar") is the sole provider of outdoor poster and transit advertising in the greater Tacoma/Pierce County area, and

WHEREAS the City of Tacoma, Department of Public Utilities ("TPU"), Public Affairs and Communications Department, on behalf Customer Energy Programs ("CEP"), entered into a directly negotiated contract with Lamar in 2019, in the amount of \$87,596, for CEP outdoor advertising through December 29, 2019, and

WHEREAS TPU desires to contract with Lamar in the amount of \$93,700, for CEP outdoor poster advertising through December 27, 2020 (for a cumulative total of \$181,296, for the two contracts with Lamar for both the 2019 outdoor poster advertising and 2020 outdoor poster advertising), and

WHEREAS the requesting division has obtained a waiver of formal competitive solicitation as Lamar is the sole provider of said advertising, and

WHEREAS CEP believes it is in the best interests of its customers to approve the contract; Now, Therefore:

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE TPU OF TACOMA:

That the contract with The Lamar Company LLC, in the amount of \$93,700, for outdoor poster advertising for Customer Energy Programs, through December 27, 2020, is approved, and the proper officers of the City are



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authorized to execute said contract substantially in the form as on file with the
Clerk and as approved by the City Attorney.

Approved as to form:

[Signature]
Chief Deputy City Attorney

Chair

Secretary

Clerk

Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: **Rebekah Anderson, Communications Manager**
MEETING DATE: Dec, 4, 2019
DATE: Nov. 19, 2019

SUMMARY: Public Affairs and Communications, on behalf of Customer Energy Programs (CEP), would again like to contract with Lamar for 2020, for outdoor poster advertising in the Tacoma/Pierce County area, in the amount of \$93,700.00, plus any applicable taxes. The current contract expires January 2, 2020.

BACKGROUND: Customer Energy Programs began using outdoor poster advertising in 2019. They would like to continue with outdoor poster advertising as part of their marketing mix in 2020 to promote programs, rebates and loans.

In an effort to be transparent, it is important to convey this contract as part of the overall expenditure with Lamar. This is the second year in a row for CEP outdoor poster panels, though TPU has been advertising with Lamar for a number of years including Click! transit and outdoor advertising, and CEP transit.

HISTORY:

LAMAR	Run Dates	Spend
CEP - Transit		\$30,250.00
TOTAL CEP 2017:		\$30,250.00
Click - Outdoor		\$133,140.00
TOTAL CLICK! 2017:		\$133,140.00
CEP - Transit Production	Production	\$6,154.40
CEP - Bus Tails and interiors	1/1-12/30/2018	\$54,600.00
TOTAL CEP 2018:		\$60,754.40
Click! - Outdoor	1/1-12/30/2018 (including production)	\$86,400.00
Click! - Bus Tails	Production	\$2,110.08
	1/1-12/30/2018	\$20,540.00
TOTAL CLICK! 2018:		\$109,050.08
CEP - Outdoor	12/31/18-12/29/19 (includes production)	\$87,596.00
CEP - Bus Tails	Production	\$6,154.40
	1/4/19-1/2/20	\$54,600.00
TOTAL CEP 2019:		\$148,350.40
Click! - Outdoor	12/31/18-12/29/19 (includes production)	\$86,396.00
TOTAL CLICK! 2019:		\$86,396.00
CEP - Outdoor	12/30/19-12/27/20 (includes production)	\$93,700.00
TOTAL CEP 2020:		\$93,700.00



Board Action Memorandum

Provide all previous contracts, contract amendments, with dates and aggregate totals, or any previous Board action associated with this request. Include any C&A Board action (applicable if contract is over \$200,000 or is a request for additional funding of a previously-approved contract beyond the administratively authorized increase).

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES.

Outdoor poster advertising is an efficient medium, appropriately geo-targeted and therefore is a valuable means for promoting TPU's services. There are no other advertising companies presenting outdoor poster opportunities in the Pierce County area. Furthermore, there has been continual contracting in place with Lamar that together exceeds \$200,000.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

Explain how expenditures are to be covered and if budget modifications are required. N/A.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS:

List any attachments (contracts, policies, agreements, etc.).

Resolution No. U-11045 adopted 12-12-18

2019 Contract/PUB Approval

2020 Contract (requested)

CONTACT:

Primary contact:

Rebekah Anderson

Communications Manager

Public Affairs and Communications

253-441-4598

Supervisor: Jim Sant, Utilities Deputy Director

Presenter:

Julie Jensen

Communications Supervisor

Public Affairs and Communications

253-502-8925



City of Tacoma

Date: November 14, 2019

To: Jackie Flowers, Director of Utilities/CEO

From: Jim Sant, Deputy Director for Public Affairs and Communications
Public Affairs and Communications/Admin

Subject: Authorization of Direct Negotiation for Professional Services and Personal Services
over \$25,000

For your review and recommendation.

In accordance with TMC 1.06.256 (B), Public Affairs and Communications/Admin requests a waiver of the competitive solicitation process and authorization to directly negotiate with **The Lamar Company LLC, Baton Rouge, LA**, for Customer Energy Programs (CEP) outdoor poster advertising in the Pierce County area, for an amount of \$93,700, plus applicable sales tax.

Direct negotiation approval constitutes a waiver of further competitive solicitation for amendments to the subject contract provided that any such amendment(s) shall be signed by personnel as authorized in the Delegation of Procurement Signature and Approval Authority memorandum. Contract totals shall not exceed \$200,000 without City Council or Public Utility Board approval as appropriate.

EXPLANATION:

Lamar provides out-of-home advertising services in the Tacoma/Pierce County area. Customer Energy Programs would like to continue with outdoor poster advertising as part of their marketing mix in 2020. CEP began using outdoor advertising to promote programs, rebates and loans in 2019 at similar levels to what is being proposed for 2020.

JUSTIFICATION FOR DIRECT NEGOTIATION:

1. Explain why it's in the best interest of the city to waive the competitive solicitation process.

The Lamar Company is the sole provider of outdoor poster advertising in the Pierce County area.

2. Is this purchase based on a previous competitive solicitation conducted by the City or other agency? If yes, provide the contract information, specification number, etc., and explain the relationship of this request to the previous contract.

NA

3. Describe the screening efforts made to identify potential service providers.



City of Tacoma

The Lamar Company is the sole provider of outdoor poster advertising in the Pierce County area.

4. Describe the efforts made to assure that the City is receiving the lowest or best price possible.

TPU has worked with Lamar for many years to provision advertising for Click transit and outdoor, and CEP transit, then CEP outdoor in 2019. Last year Lamar increased rates slightly after remaining flat and providing rates that were below rate card for a number of years, and is now asking for a modest increase since we are no longer able to leverage Click dollars.

FUNDING: Funds for this purchase are available in the Residential Customer Energy Programs' marketing budgets - Cost Center 562400 \$93,700.

SBE COMPLIANCE: The Department/Division has checked the [City of Tacoma Small Business Enterprise \(SBE\) website](#) for opportunities to contract with SBE firms on November 30, 2018. Choose an item.

PROJECT COORDINATOR: Julie Jensen, Community Relations Officer, Marketing Communications/Public Affairs and Communications/Admin, 253-502-8925.



RESOLUTION NO. U-11045

A RESOLUTION authorizing an amendment to contracts and new contract with Lamar Company LLC, to provide out-of-home advertising for ("CEP") and Click!.

WHEREAS, The Lamar Company LLC ("Lamar") is the sole provider of outdoor poster and transit advertising in the greater Tacoma/Pierce County area, and

WHEREAS, the City of Tacoma, Department of Public Utilities ("TPU"), entered into two directly negotiated contracts with Lamar in 2017, one for \$30,250, for Customer Energy Programs ("CEP") for transit advertising and one for \$133,140, for Click! for outdoor advertising, and

WHEREAS, in November 2017 the Board approved an increase to the contracts by \$60,754.40 for CEP and by \$109,050.08 for Click! effective through December 31, 2018, and

WHEREAS, TPU desires to increase the contracts by the amount of \$60,755, for CEP transit advertising through January 2, 2020 (for a cumulative total of \$151,760) and \$86,396, for Click! outdoor advertising through December 29, 2019, (for a cumulative total of \$334,587).

WHEREAS, TPU desires to enter into an additional contract for the amount of \$87,596, for CEP for outdoor advertising through December 29, 2019, and the requesting division has obtained a waiver of formal competitive solicitation as Lamar is the sole provider of said advertising, and



1 WHEREAS CEP and Click! believe it is in the best interests of its
2 customers to increase the contracts and approve the new agreement; Now,
3
4 Therefore,

5 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE TPU OF TACOMA:

6 That the proposed amendments to the contracts with Lamar in the
7 amount of \$60,755, for CEP transit advertising through January 2, 2020 (for a
8 cumulative total of \$151,760) and \$86,396, for Click! (for a cumulative total of
9 \$334,587) for outdoor advertising through December 29, 2019, and the
10 proposed agreement for the amount of \$87,596, for CEP for outdoor advertising
11 through December 29, 2019, are approved, and the proper officers of the City
12 are authorized to execute said amendments and agreement substantially in the
13 form as on file with the Clerk and as approved by the City Attorney.
14

15 Approved as to form and legality:

William Jones
Chair

R. C. Remoll
Chief Deputy City Attorney

[Signature]
Secretary

Charles Jacobs
Clerk

Adopted 12-12-18

Seattle, WA
 3501 Sixth Avenue South
 Seattle, WA 98134
 Phone: 206-682-3833
 Fax:



CONTRACT # 3122053

Date: 11/28/2018
 New/Renewal: RENEWAL
 Account Executive: Mike Luinstra
 Phone: 206-682-3833

CONTRACTED DIRECTLY BY ADVERTISER	
Customer #	681723-2
Name	CITY OF TACOMA
Address	3628 SOUTH 35TH
City/State/Zip	TACOMA, WA 98409
Contact	Rebekah Anderson
Email Address	randerson2@cityoftacoma.org
Phone #	(253) 502-8925
Fax #	
P.O./ Reference #	
Advertiser/Product	CONSERVATION RESOURCES MANAGMENT - DEPT
Campaign	

Production/Other Services

Department	Plant	Production Type	Misc	Service Dates	# Billing Periods	Invest Per Period	Cost
Poster Flex	425 Seattle, WA	Production of (12) posters for the 12/31 Posting		12/17/18	1	\$1,200.00	\$1,200.00
Poster Flex	425 Seattle, WA	Production of (12) posters for the 2/25 posting		02/11/19	1	\$1,200.00	\$1,200.00
Poster Flex	425 Seattle, WA	Production of (12) posters for the 4/22 post date.		04/08/19	1	\$1,200.00	\$1,200.00
Poster Flex	425 Seattle, WA	Production of (12) posters for the 6/17 post date.		06/03/19	1	\$1,200.00	\$1,200.00
Poster Flex	425 Seattle, WA	Production of (12) posters for the 8/12 post date.		07/29/19	1	\$1,200.00	\$1,200.00
Poster Flex	425 Seattle, WA	Production of (12) posters for the 10/7 post date.		09/23/19	1	\$1,200.00	\$1,200.00
Poster Flex	425 Seattle, WA	Production of (12) posters for the 12/2 post date.		11/18/19	1	\$1,200.00	\$1,200.00
Total Production/Other Services Costs:							\$8,400.00

Space

of Panels: 12

Panel # TAB ID	Market	Location	Illum	Media Type	Size	Misc	Service Dates	# Billing Periods	Invest Per Period	Cost
TBD (12)	425-PIERCE, WA	TBD	Yes	Poster			12/31/18-12/29/19	13	\$6,092.00	\$79,196.00

Total Space Costs: \$79,196.00

Total Costs: \$87,596.00

Special Considerations:

Advertiser authorizes and instructs The Lamar Companies (Lamar) to display in good and workmanlike manner, and to maintain for the terms set forth above, outdoor advertising displays described above or on the attached list. In consideration thereof, Advertiser agrees to pay Lamar all contracted amounts within thirty (30) days after the date of billing. Advertiser acknowledges and agrees to be bound by the terms and conditions on all pages of this contract.

The Agency representing this Advertiser in the contract executes this contract as an agent for a disclosed principal, but hereby expressly agrees to be liable jointly and severally and in solidio with Advertiser for the full and faithful performance of Advertiser's obligations hereunder. Agency waives notice of default and consents to all extensions of payment.

The undersigned representative or agent of Advertiser hereby warrants to Lamar that he/she is the Manager

(Officer/Title)

of the Advertiser and is authorized to execute this contract on behalf of the Advertiser.

INITIALS



Seattle, WA
3301 Sixth Avenue South
Seattle, WA 98134
Phone: 206-682-3833
Fax:



CONTRACT # 3122053

Date: 11/28/2018
New/Renewal: RENEWAL
Account Executive: Mike Luinstra
Phone: 206-682-3833

Customer:	CITY OF TACOMA
Signature:	<small>DocuSigned by:</small> <small>7208110C86F413</small> (signature above)
Name:	James D Sant (print name above)
Date:	1/2/2019 (date above)

Approved

DocuSigned by:

Finance Director

APPROVED AS TO FORM:

DocuSigned by:

 DEPUTY CITY ATTORNEY

THE LAMAR COMPANIES

This contract is NOT BINDING UNTIL ACCEPTED by a Lamar General Manager.

DocuSigned by:

DB57AF3200124C2
 ACCOUNT EXECUTIVE: Mike Luinstra

DocuSigned by:

2228110C86F413
 GENERAL MANAGER

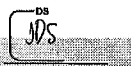
1/9/2019

DATE

STANDARD CONDITIONS

- 1. Late Artwork:** The Advertiser must provide or approve art work, materials and installation instructions ten (10) days prior to the initial Service Date. In the case of default in furnishing or approval of art work by Advertiser, billing will occur on the initial Service Date.
- 2. Copyright/Trademark:** Advertiser warrants that all approved designs do not infringe upon any trademark or copyright, state or federal. Advertiser agrees to defend, indemnify and hold Lamar free and harmless from any and all loss, liability, claims and demands, including attorney's fees arising out of the character contents or subject matter of any copy displayed or produced pursuant to this contract.
- 3. Payment Terms:** Lamar will, from time to time at intervals following commencement of service, bill Advertiser at the address on the face hereof. Advertiser will pay Lamar within thirty (30) days after the date of invoice. If Advertiser fails to pay any invoice when it is due, in addition to amounts payable thereunder, Advertiser will promptly reimburse collection costs, including reasonable attorney's fees plus a monthly service charge at the rate of 1.5% of the outstanding balance of the invoice to the extent permitted by applicable law. Delinquent payment will be considered a breach of this contract. Payments will be applied as designated by the Advertiser; non designated payments will be applied to the oldest invoices outstanding.
- 4. Service Interruptions:** If Lamar is prevented from posting or maintaining any of the spaces by causes beyond its control of whatever nature, including but not limited to acts of God, strikes, work stoppages or picketing, or in the event of damage or destruction of any of the spaces, or in the event Lamar is unable to deliver any portion of the service required in this contract, including buses in repair, or maintenance, this contract shall not terminate. Credit shall be allowed to Advertiser at the standard rates of Lamar for such space or service for the period that such space or service shall not be furnished or shall be discontinued or suspended. In the case of illumination, should there be more than a 50% loss of illumination, a 20% pro-rata credit based on four week billing will be given. If this contract requires illumination, it will be provided from dusk until 11:00p.m. Lamar may discharge this credit, at its option, by furnishing advertising service on substitute space, to be reasonably approved by Advertiser, or by extending the term of the advertising service on the same space for a period beyond the expiration date. The substituted or extended service shall be of a value equal to the amount of such credit.
- 5. Entire Agreement:** This contract, all pages, constitutes the entire agreement between Lamar and Advertiser. Lamar shall not be bound by any stipulations, conditions, or agreements not set forth in this contract. Waiver by Lamar of any breach of any provision shall not constitute a waiver of any other breach of that provision or any other provision.
- 6. Copy Acceptance:** Lamar reserves the right to determine if copy and design are in good taste and within the moral standards of the individual communities in which it is to be displayed. Lamar reserves the right to reject or remove any copy either before or after installation, including immediate termination of this contract.
- 7. Termination:** All contracts are non-cancellable by Advertiser without the written consent of Lamar. Breach of any provisions contained in this contract may result in cancellation of this contract by Lamar.
- 8. Materials/Storage:** Production materials will be held at customer's written request. Storage fees may apply.
- 9. Installation Lead Time:** A leeway of five (5) working days from the initial Service Date is required to complete the installation of all non-digital displays.
- 10. Customer Provided Production:** The Advertiser is responsible for producing and shipping copy production. Advertiser is responsible for all space costs involved in the event production does not reach Lamar by the established Service Dates. These materials must be produced in compliance with Lamar production specifications and must come with a 60 day warranty against fading and tearing.

INITIALS



Seattle, WA
3901 Sixth Avenue South
Seattle, WA 98134
Phone: 206-682-3833
Fax:



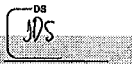
CONTRACT # 3122053

Date: 11/28/2018
New/Renewal: RENEWAL
Account Executive: Mike Luinstra
Phone: 206-682-3833

11. Bulletin Enhancements: Cutouts/extensions, where allowed, are limited in size to 5 feet above, and 2 feet to the sides and 1 foot below normal display area. The basic fabrication charge is for a maximum 12 months.

12. Assignment: Advertiser shall not sublet, resell, transfer, donate or assign any advertising space without the prior written consent of Lamar.

INITIALS



Seattle, WA
3601 Sixth Avenue South
Seattle, WA 98134
Phone: 206-682-3833
Fax:



CONTRACT # 3310298

Date: 10/11/2019
New/Renewal: RENEWAL
Account Executive: Mike Luinstra
Phone: 206-682-3833

CONTRACTED DIRECTLY BY ADVERTISER	
Customer #	681723-3
Name	CITY OF TACOMA
Address	3628 SOUTH 35TH
City/State/Zip	TACOMA, WA 98409
Contact	Jenae Elliott
Email Address	jelliott2@ci.tacoma.wa.us
Phone #	(253) 502-8754
Fax #	
P.O./ Reference #	
Advertiser/Product	CUSTOMER ENERGY PROGRAMS
Campaign	

Production/Other Services							
Department	Plant	Production Type	Misc	Service Dates	# Billing Periods	Invest Per Period	Cost
Poster Flex	425 Seattle, WA	Production of (1) poster for 12/30 posting		12/16/19	1	\$100.00	\$100.00
Poster Flex	425 Seattle, WA	Production of (13) posters for the 1/27 posting		01/13/20	1	\$1,300.00	\$1,300.00
Poster Flex	425 Seattle, WA	Production of (13) posters for the 3/23 posting		03/09/20	1	\$1,300.00	\$1,300.00
Poster Flex	425 Seattle, WA	Production of (13) posters for the 5/18 posting		05/04/20	1	\$1,300.00	\$1,300.00
Poster Flex	425 Seattle, WA	Production of (13) posters for the 7/13 posting		06/29/20	1	\$1,300.00	\$1,300.00
Poster Flex	425 Seattle, WA	Production of (13) posters for the 9/7 posting		08/24/20	1	\$1,300.00	\$1,300.00
Poster Flex	425 Seattle, WA	Production of (13) posters for the 11/2 posting		10/19/20	1	\$1,300.00	\$1,300.00
Total Production/Other Services Costs:							\$7,900.00

Space										
# of Panels: 13								Billing Cycle: Every 4 weeks		
Panel # TAB ID	Market	Location	Illum	Media Type	Size	Misc	Service Dates	# Billing Periods	Invest Per Period	Cost
TBD (13)	425-PIERCE, WA	TBD	Yes	Poster			12/30/19-12/27/20	13	\$6,600.00	\$85,800.00
Total Space Costs:										\$85,800.00
Total Costs:										\$93,700.00

Special Considerations:

Advertiser authorizes and instructs The Lamar Companies (Lamar) to display in good and workmanlike manner, and to maintain for the terms set forth above, outdoor advertising displays described above or on the attached list. In consideration thereof, Advertiser agrees to pay Lamar all contracted amounts within thirty (30) days after the date of billing. Advertiser acknowledges and agrees to be bound by the terms and conditions on all pages of this contract.

The Agency representing this Advertiser in the contract executes this contract as an agent for a disclosed principal, but hereby expressly agrees to be liable jointly and severally and in solidio with Advertiser for the full and faithful performance of Advertiser's obligations hereunder. Agency waives notice of default and consents to all extensions of payment.

The undersigned representative or agent of Advertiser hereby warrants to Lamar that he/she is the Manager

(Officer/Title)

of the Advertiser and is authorized to execute this contract on behalf of the Advertiser.



Seattle, WA
3604 Sixth Avenue South
Seattle, WA 98134
Phone: 206-682-3833
Fax:



CONTRACT # 3310298

Date: 10/11/2019
New/Renewal: RENEWAL
Account Executive: Mike Luinstra
Phone: 206-682-3833

Customer:	CITY OF TACOMA
Signature:	(signature above)
Name:	(print name above)
Date:	(date above)

THE LAMAR COMPANIES

This contract is NOT BINDING UNTIL ACCEPTED by a Lamar General Manager.

ACCOUNT EXECUTIVE: Mike Luinstra

GENERAL MANAGER

DATE

STANDARD CONDITIONS

- 1. Late Artwork:** The Advertiser must provide or approve art work, materials and installation instructions ten (10) days prior to the initial Service Date. In the case of default in furnishing or approval of art work by Advertiser, billing will occur on the initial Service Date.
- 2. Copyright/Trademark:** Advertiser warrants that all approved designs do not infringe upon any trademark or copyright, state or federal. Advertiser agrees to defend, indemnify and hold Lamar free and harmless from any and all loss, liability, claims and demands, including attorney's fees arising out of the character contents or subject matter of any copy displayed or produced pursuant to this contract.
- 3. Payment Terms:** Lamar will, from time to time at intervals following commencement of service, bill Advertiser at the address on the face hereof. Advertiser will pay Lamar within thirty (30) days after the date of invoice. If Advertiser fails to pay any invoice when it is due, in addition to amounts payable thereunder, Advertiser will promptly reimburse collection costs, including reasonable attorney's fees plus a monthly service charge at the rate of 1.5% of the outstanding balance of the invoice to the extent permitted by applicable law. Delinquent payment will be considered a breach of this contract. Payments will be applied as designated by the Advertiser; non designated payments will be applied to the oldest invoices outstanding.
- 4. Service Interruptions:** If Lamar is prevented from posting or maintaining any of the spaces by causes beyond its control of whatever nature, including but not limited to acts of God, strikes, work stoppages or picketing, or in the event of damage or destruction of any of the spaces, or in the event Lamar is unable to deliver any portion of the service required in this contract, including buses in repair, or maintenance, this contract shall not terminate. Credit shall be allowed to Advertiser at the standard rates of Lamar for such space or service for the period that such space or service shall not be furnished or shall be discontinued or suspended. In the case of illumination, should there be more than a 50% loss of illumination, a 20% pro-rata credit based on four week billing will be given. If this contract requires illumination, it will be provided from dusk until 11:00p.m. Lamar may discharge this credit, at its option, by furnishing advertising service on substitute space, to be reasonably approved by Advertiser, or by extending the term of the advertising service on the same space for a period beyond the expiration date. The substituted or extended service shall be of a value equal to the amount of such credit.
- 5. Entire Agreement:** This contract, all pages, constitutes the entire agreement between Lamar and Advertiser. Lamar shall not be bound by any stipulations, conditions, or agreements not set forth in this contract. Waiver by Lamar of any breach of any provision shall not constitute a waiver of any other breach of that provision or any other provision.
- 6. Copy Acceptance:** Lamar reserves the right to determine if copy and design are in good taste and within the moral standards of the individual communities in which it is to be displayed. Lamar reserves the right to reject or remove any copy either before or after installation, including immediate termination of this contract.
- 7. Termination:** All contracts are non-cancellable by Advertiser without the written consent of Lamar. Breach of any provisions contained in this contract may result in cancellation of this contract by Lamar.
- 8. Materials/Storage:** Production materials will be held at customer's written request. Storage fees may apply.
- 9. Installation Lead Time:** A leeway of five (5) working days from the initial Service Date is required to complete the installation of all non-digital displays.
- 10. Customer Provided Production:** The Advertiser is responsible for producing and shipping copy production. Advertiser is responsible for all space costs involved in the event production does not reach Lamar by the established Service Dates. These materials must be produced in compliance with Lamar production specifications and must come with a 60 day warranty against fading and tearing.

INITIALS



Seattle, WA
3601 Sixth Avenue South
Seattle, WA 98134
Phone: 206-682-3833
Fax:



CONTRACT # 3310298

Date: 10/11/2019
New/Renewal: RENEWAL
Account Executive: Mike Luinstra
Phone: 206-682-3833

11. Bulletin Enhancements: Cutouts/extensions, where allowed, are limited in size to 5 feet above, and 2 feet to the sides and 1 foot below normal display area. The basic fabrication charge is for a maximum 12 months.

12. Assignment: Advertiser shall not sublet, resell, transfer, donate or assign any advertising space without the prior written consent of Lamar.

INITIALS





RESOLUTION NO. U-11128

1 A RESOLUTION authorizing Tacoma Power's payment of Assessment costs for
2 the Western Electricity Coordinating Council, North American Reliability
3 Corporation, and Western Interconnection Regional Advisory Board for
4 2020.

5 WHEREAS the Department of Public Utilities, Power Division (d.b.a.
6 "Tacoma Power"), is a member of the Western Electricity Coordinating Council,
7 ("WECC"), and

8 WHEREAS Section 11 of the WECC bylaws requires Balancing
9 Authorities or Load-Serving Entities, such as Tacoma Power, to pay a
10 proportional share of WECC's costs, and

11 WHEREAS the Federal Energy Regulatory Commission ("FERC"), has
12 also approved statutory assessments for the North American Electric Reliability
13 Corporation ("NERC"), and Western Interconnection Regional Advisory Board
14 ("WIRAB"), and

15 WHEREAS Tacoma Power's share of the 2020 statutory assessments is
16 \$228,518 and the total amount is to be paid to WECC, and the Board is
17 requested to approve payment of Tacoma Power's share to WECC; Now,
18 Therefore,

19
20 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

21 That Tacoma Power's request to pay its 2020 Assessments from the
22 Western Electricity Coordinating Council, North American Reliability Corporation
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and Western Interconnection Regional Advisory Board in the amount of
\$228,518, is approved.

Approved as to form:

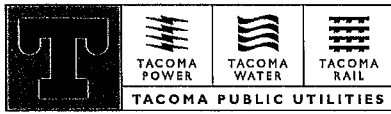
[Signature]
Chief Deputy City Attorney

Chair

Secretary

Clerk

Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: **Chris Robinson, Power Superintendent**
MEETING DATE: December 4, 2019
DATE: November 20, 2019

SUMMARY: Tacoma Power recommends the Public Utility Board authorize payment of its 2020 Assessments from Western Electricity Coordinating Council, North American Electric Reliability Corporation and Western Interconnection Regional Advisory Board in the amount of \$228,518.

Tacoma Power's portion of the 2018 Annual Net Energy for Load and Associated 2020 assessment breakdown is:

WECC - \$145,143.00

NERC - \$77,850.00

WIRAB - \$5,525.00

BACKGROUND: Tacoma Power is a member of the Western Electricity Coordinating Council (WECC). Section 11 of the WECC bylaws require Balancing Authorities or Load-Serving Entities, such as Tacoma Power, to pay a proportional share of WECC's statutory costs. The Federal Energy Regulatory Commission (FERC) has also approved statutory assessments for the North American Electric Reliability Corporation (NERC) and Western Interconnection Regional Advisory Body (WIRAB).

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.
N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A.

ATTACHMENTS:

WECC Invoice Number A200104

CONTACT:

Harley Johnson, Transmission & Distribution; System Operations Manager
John Nierenberg, P.E., Transmission & Distribution Assistant Section Manager - System Planning,
Operations & Asset Management 253-502-8931



ACCOUNT: Tacoma Power (City of Tacoma)
PO Box 11007
Tacoma, WA 98411

INVOICE #: **A200104**
INVOICE DATE: November 15, 2019
DUE DATE: January 2, 2020
P.O. #:

ATTENTION: Miki Foster, John Lawrence

FOR: **2018 Annual Net Energy for Load and 2020 Assessments**

This invoice is for load within the following Balancing Authority:

Tacoma Power

The WECC Board of Directors (on June 19, 2019) and the Federal Energy Regulatory Commission (FERC) (on October 17, 2019) approved an assessment of \$25,282,000 to Western Interconnection Balancing Authorities and/or Load-Serving Entities for WECC's 2020 Statutory costs. This amount was calculated in accordance with Section 11.1 of the WECC Bylaws. Your organization's share of that assessment is listed below.

Also listed below are your organization's shares of the North American Electric Reliability Corporation's and Western Interconnection Regional Advisory Body's 2020 Statutory Assessments, as approved by FERC on October 17, 2019. Detailed assessment information is available on NERC's website: <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/NERC2020BudgetFiling8-23-2019.pdf>

Be advised that 0.034% of the 2020 NERC Assessment billed on this invoice is allocable to non-deductible lobbying expenditures. Any questions regarding this notice should be directed to accountsreceivable@nerc.net.

Description	Amount
Western Electricity Coordinating Council (WECC) Statutory Assessment	\$145,143.00
North American Electric Reliability Corporation (NERC) Statutory Assessment	\$77,850.00
Western Interconnection Regional Advisory Body (WIRAB) Statutory Assessment	\$5,525.00

Total Due: \$228,518.00

PAYMENT OPTIONS:

- 1) Pay invoice in full by January 2, 2020 or
- 2) Pay 50% by January 2, 2020 and 50% by July 2, 2020.

Please reference the invoice number on all forms of payment. If you have any questions or concerns, please email assessments@wecc.org.

155 NORTH 400 WEST • SUITE 200 • SALT LAKE CITY • UTAH • 84103

Payment Instructions

Bank name: Zions Bank

Location: Salt Lake City, UT

ABA number: 124000054

Account number: 091415588

Account type: Analysis Checking

International Wires

International Transfer SWIFT code: ZFNBUS55

Canada international wire fee: \$20.00 – please include with your payment

Mexico international wire fee: \$15.00 – please include with your payment

Reference Information

Please reference the invoice number in your wire or ACH description so we can apply your payment properly. If that is not possible through your bank, please send the remittance details to Assessments@wecc.org prior to the payment being transferred.



RESOLUTION NO. U-11129

1 A RESOLUTION related to Tacoma Water; authorizing participation in a City of
2 Tacoma, Public Works contract for the East 64th Street Project.

3 WHEREAS the City of Tacoma, Tacoma Public Utilities, Water Division
4 ("Tacoma Water") is requesting authorization to participate in the City of
5 Tacoma, Public Work ("PW") contract for the East 64th Street Project ("Project"),
6 and
7

8 WHEREAS, a part of this Project, which will be administered by PW, is to
9 construct approximately 3,300 feet of new 4-inch water main along East 64th
10 Street, from Pacific Avenue to McKinley Avenue, and

11 WHEREAS a new water main is proposed to improve existing customer
12 water pressure by adjusting and extending the higher pressure zone boundaries
13 in the area, and
14

15 WHEREAS Tacoma Water's portion of the project cost is \$748,505.19
16 plus applicable taxes, with funding for this project available from Tacoma
17 Water's WTR-00551-01-03, 2017-55 Construction Payments to PW Fund, and

18 WHEREAS the opportunity to participate in this contract allows Tacoma
19 Water's water main work to be executed concurrently with Public Works'
20 contract in the same area, resulting in reduced project costs, mitigation of future
21 risks, consolidation of construction disturbance while improving project delivery,
22 and
23

24 WHEREAS Tacoma Water requests authority to participate in Public
25 Works' Project contract for the above purpose and reasons; Now, Therefore,
26



BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That Tacoma Water is authorized to participate in Public Works' contract for the East 64th Street Project, in the amount of \$748,505.19, plus applicable taxes, and the proper officers of the City are authorized to execute an agreement in a form as approved by the City Attorney.

Approved as to form:

Chair


Chief Deputy City Attorney

Secretary

Clerk

Adopted



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Ali Poldo, Principal Engineer, Tacoma Water *AP wdk*
MEETING DATE: December 4th, 2019
DATE: November 13th, 2019

SUMMARY:

Authorize Tacoma Water to participate in the City of Tacoma, Department of Public Works East 64th Street Project. Tacoma Water proposes to install approximately 3,300 feet of new 4-inch water main along East 64th Street, from Pacific Avenue to McKinley Avenue, at a project cost of \$748,505.19 plus applicable taxes. New water main is proposed to improve existing customer water pressure by adjusting and extending the higher pressure zone boundaries to the area.

Tacoma Water believes it is in the best interest of the utility and its customers to include the water main work in the Public Works project. Project partnership will improve project delivery, reduce project costs, mitigate future risks, and consolidate construction disturbance to residents and businesses.

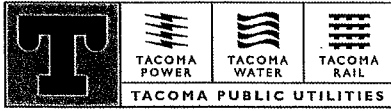
BACKGROUND:

For background information regarding the Public Works portion of the project please refer to the Contract and Award Letter.

The 2018 Water System Plan conducted computer modeling to identify areas in Tacoma Water's service area where existing customers may be experiencing low water pressures. Modeling forecasts through the year 2037 under a peak water demand scenario predicts that some customers along East 64th Street may experience water pressures below 30 pounds per square inch (psi). Field investigations and historic customer complaints also independently confirm lower water pressures in the area.

Washington State code requires a minimum of 30 psi pressure is maintained at the water meter at all times under peak water demands. A new water main is proposed to increase customer water pressure up to 80 psi by adjusting and extending the higher pressure zone boundaries to the area.

Pressure reducing valves, which allow for manual adjustment of the water pressure at each property, will be installed as part of the project. Some customers may opt to lower water pressure through the valves. Customer outreach will be conducted to educate customers on how to operate and maintain the valves.



Board Action Memorandum

ISSUE: Tacoma Water customers along East 64th Street may experience low water pressure below code requirements under peak water demands in the future.

ALTERNATIVES: Not increasing the water pressures may violate State code requirements.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? Not Applicable.

ATTACHMENTS: Project Map
Contract and Award Letter
Agreement for Joint Project Tacoma Water – Public Works

CONTACT: Ali Polda, Principal Engineer, 253-502-8152
Ryan Flynn, Interim Division Manager, 253-396-3111



Legend

 PROJECT LIMITS



1: 8,818



1,469.6 0 734.82 1,469.6 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere
Tacoma Water Maps

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes



TO: Board of Contracts and Awards
FROM: Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer *FDK*
fox Michael P. Slevin III, P.E., Environmental Services Director *GMS*
Chris Storey, Public Works Engineering Project Manager
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Doreen Klaaskate, Finance/Purchasing
SUBJECT: East 64th Street, Phase 1 Pacific to McKinley
Request for Bids Specification No. PW19-0213F – October 22, 2019
DATE: October 7, 2019

RECOMMENDATION SUMMARY:

The Public Works Department recommends a contract be awarded to Pivetta Brothers Construction Inc, Sumner, WA, in the amount of \$6,634,124.97, plus a 15 percent contingency, for a cumulative total of \$7,629,243.72, plus applicable taxes, budgeted from various departmental funds, for the reconstruction of East 64th Street between Pacific Avenue and McKinley Avenue, including sewer and water system improvements.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- Assure outstanding stewardship of the natural and built environment.

The project will improve the roadway infrastructure by providing a safe driving surface for vehicles and bicycles and provide curb ramps to meet ADA standards and to encourage active transportation.

BACKGROUND:

In July of 2017, an open house was held to discuss the project, phasing, and design options. Since that time, two other public meetings and a presentation to the Bicycle and Pedestrian Technical Advisory Group (BPTAG) were held. In September 2018, the preferred design option was selected which included a new road, separated bike lanes (cycle track), sidewalks, sanitary and storm sewer improvements, streetlights, and public art. East 64th Street is designated as a protected bicycle facility in the Transportation Master Plan. A new water main is proposed to improve customer water pressure by adjusting pressure zone boundaries.

ISSUE: East 64th Street is aging and in need of reconstruction as maintenance efforts are no longer effective. Tacoma Water customers may be experiencing low water pressure in the vicinity.

ALTERNATIVES: The alternative would be to continue temporary road repairs and return grant funds.



COMPETITIVE SOLICITATION:

Request for Bids Specification No. PW19-0213F was opened September 10, 2019, through the normal advertising of the project. Eleven submittals were received.

Pivetta Brothers Construction Inc submitted a bid that resulted in the lowest evaluated submittal after consideration of Small Business Enterprise (SBE) participation goals. The table below reflects the amount of the base award.

<u>Respondent (RFB)</u>	<u>Location</u> <i>(city and state)</i>	<u>Submittal</u> <u>Amount</u>	<u>Evaluated</u> <u>Submittal</u>
Pivetta Brothers Construction Inc	Sumner, WA	\$6,634,124.97	\$6,634,124.97
Miles Resources LLC	Puyallup, WA	\$6,692,308.90	\$6,692,308.90
Active Construction Inc	Puyallup, WA	\$6,904,758.70	\$6,904,758.70
R L Alia Company	Renton, WA	\$7,183,123.60	\$7,183,123.60
Northwest Cascade Inc	Puyallup, WA	\$7,377,855.25	\$7,377,855.25
Sound Pacific Construction	Gig Harbor, WA	\$7,420,984.00	\$7,420,984.00
Marshbank Construction Inc	Lake Stevens, WA	\$7,624,971.00	\$7,624,971.00
Titan Earthwork LLC	Pacific, WA	\$7,757,260.25	\$7,757,260.25
Tucci & Sons Inc	Tacoma, WA	\$7,964,961.00	\$7,964,961.00
Ceccanti Inc	Tacoma, WA	\$8,304,166.50	\$8,304,166.50
Rodarte Construction Inc	Auburn, WA	\$8,620,786.40	\$8,620,786.40

Pre-bid Estimate: \$8,134,164.60

The recommended award is 18 percent below the pre-bid estimate.

Based on the estimated working days, staff believes this project will result in 16,000 labor hours.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Public Works is pursuing a Greenroads bronze certification for the project. The design includes a separated bike facility.

SBE/LEAP COMPLIANCE: The recommended contractor is in compliance with the SBE Regulation requirements per memorandum dated September 30, 2019. The apparent low bidder made good faith effort to exceed the SBE goal of 22 percent for this project. One SBE utilized by the apparent low bidder had expired certification and there was no reasonable way for the contractor to have known certification was expired as the SBE firm was still on the "Active SBE List". Pivetta Brothers Construction Inc submitted the lowest evaluated bid per the SBE Regulation requirements. The Local Employment and Apprenticeship Training Program (LEAP) goal is 15 percent.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1060 – CAPTL (PW Street Capital Projects)	PWK-G0018-05-01	53310100	\$6,480,860.73
4600 13-WC 2013 Bond Fund	WTR-00551-01-03	53310100	\$ 748,505.19
4300 ES Wastewater Fund	ENV-04022-22-04	53310100	\$ 175,598.74
4301 ES Surface Water Fund	ENV-03029-11-04	53310100	\$ 224,279.06
TOTAL			Up to \$7,629,243.72

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
State Transportation Improvement Board (TIB) Grant	PWK-G0018-FS-04	4334280	\$5,162,991.00
Streets Initiative Revenues	663020	Various	\$1,317,869.73
4600 13-WC 2013 Bond Fund	586313	6311163	\$ 748,505.19
4300 ES Wastewater Fund	523900	Rate Revenues	\$ 175,598.74
4301 ES Surface Water Fund	521900	Rate Revenues	\$ 224,279.06
TOTAL			\$7,629,243.72

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$7,629,243.72


ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A



DATE: September 25, 2019

TO: Ryan Flynn, P.E., Interim Distribution Engineering Manager, Tacoma Water
Chris Larson, P.E., Division Manager, Public Works Engineering Division

FROM: Troy Saghafi, P.E., Tacoma Water, Distribution Engineering
Chris Storey, P.E., Public Works Engineering Division 

SUBJECT: Agreement for MRP2017-55/PW15-0712F
East 64th Street Project

The Department of Public Works, Engineering Division, and Tacoma Water Distribution Engineering have been working to develop plans and specifications for the replacement of water main in conjunction with street improvements for the East 64th Street project. The project is anticipated to start construction in the fall of 2019.

Our respective organizations believe a coordinated effort to replace the water infrastructure in conjunction with street improvements along East 64th Street, between Pacific Avenue and McKinley Avenue, under a single City of Tacoma contract will result in efficiency and cost savings to all parties. Additionally, a joint project will minimize construction disturbance to adjacent businesses and the general public. The following summarizes the arrangements, assumptions, and action items necessary to move forward with this project:

- The project will be combined into a single Public Works construction contract. Public Works has the responsibility to lead and coordinate compilation of contract plans & specifications and advertise & award the construction contract.
- The Department of Public Works will administer the construction contract. Tacoma Water will compensate the Department of Public Works in the amount of 3% project cost, less force accounts and contingency, for the additional incremental contract administration costs associated with Tacoma Water work. This amount will be transferred to the Department of Public Works via journal entry at the completion of the project.
- Tacoma Water will provide the WBSE for charging water main construction costs to the Water Division fund. The Water Division WBSE for this project is as follows:

WTR-00551-01-03, 2017-55 Construction Payments to PW

- Tacoma Water will be responsible for the cost of water distribution main work, valves, hydrants, trench excavation, trench backfill and compaction to subgrade elevation, mobilization, traffic control, and other appurtenant items directly related to the installation of new water main. These costs have been segregated within "Schedule C" of the contract bid proposal.
- Tacoma Water will request authorization from the Public Utility Board to participate in the Public Works' contract as soon as possible following determination of the lowest responsible bidder.



RESOLUTION NO. U-11130

1
2 A RESOLUTION relating to amending and revising sections of Chapter 12.10 of
3 the Tacoma Municipal Code ("TMC") regarding water rates and
4 regulations, and repealing Tacoma Public Utilities Board Resolution No.
5 11102, in its entirety.

6 WHEREAS the City of Tacoma, Department of Public Utilities, Water
7 Division (d.b.a. "Tacoma Water"), has requested proposed changes for Chapter
8 12.10 ("Water Regulations and Rates") in Title 12 ("Utilities") of the Tacoma
9 Municipal Code ("TMC"), that include rate adjustments for Wholesale Rate
10 Structure, System Development Charges, and Fixed Fees adjustments effective
11 each January 1st starting in 2020 through 2024, and

12 WHEREAS wholesale revenue and demand have been declining while
13 ongoing costs to maintain Tacoma Water's supply obligation remain, and
14 Tacoma Water is proposing a revenue neutral wholesale rate design based on
15 contracted peak capacity that would increase the fixed charge while decreasing
16 the variable rate, and

17 WHEREAS the requested change in TMC 12.10.400 updates the
18 monthly ready to serve charge based on contracted peak capacity and variable
19 winter, summer and peaking rates for the wholesale class, and

20 WHEREAS Tacoma Water assesses System Development Charges
21 ("SDC") in three different situations: a one-time charge for water service
22 connection to the water system, a service upgrade that requires a larger meter,
23 or an existing service for larger meters that exceeds usage thresholds. The
24 SDC is typically charged to new development, commercial and wholesale
25
26



1 customers. From 2014-2018 the average SDC revenue was about \$2.9 million,
2 and

3 WHEREAS the last time the SDC was updated was in 2004, and since
4 that time, changes have occurred in the system capacity, plant assets, capital
5 projects, debt, and demand, and

7 WHEREAS the requested change in 12.10.310 updates the SDC based
8 on an assessment of the current water system, simplifies the SDC methodology
9 by combining "four-day maximum" and "peak day" and replacing the charges in
10 12.10.310(6)(f) with a cross-reference to the system development charge table
11 for 3" meter size or larger, and

13 WHEREAS Tacoma Water also assesses fixed charges for water
14 service installations, which are commonly known as Fixed Fees. The Fixed
15 Fees are one-time charges for installations of the water service in schools,
16 shopping centers, restaurants, residential homes, and apartments. In
17 circumstances where the Fixed Fees are not adequate to cover the actual costs
18 of installing the water service, charges for installations are based on the costs
19 of Time & Materials ("T&M"). From June 2017 to May 2019, Fixed Fees and
20 fees based on T&M generated approximately \$2 million in revenue, and

22 WHEREAS the last time the Fixed Fees charge was updated was in
23 2009, and since then, Tacoma Water's cost of service has changed such that
24 Tacoma Water's Fixed Fees rate no longer accurately reflects current costs,
25 and the proposed change to the Fixed Fees rate will align the fees with actual
26



1 expenses, reduce staff time, shorten the time of quote delivery to customers
2 and implement a five year schedule, and

3 WHEREAS a requested change to TMC 12.10.250 removes “Automated
4 Meter Reading (AMR)” and changes the installation of 3/4-inch service and 5/8-
5 inch meters for residential domestic service from a requirement to a standard,
6 and
7

8 WHEREAS Tacoma Water’s proposed rate adjustments and regulations
9 are attached as Exhibit A, and

10 WHEREAS PUB Resolution No. U-11102 was adopted on September
11 11, 2019, to amend water rates and regulations concerning Wholesale Rate
12 Structure, System Development Charges, and Fixed Fees, however, the
13 changes were not made to the most recent version of the TMC, and therefore, it
14 is requested that Resolution No. U-11102 be repealed and replaced with the
15 changes as specified in this resolution, and
16

17 WHEREAS revisions to Tacoma Water rates and regulations require
18 approval by the Public Utility Board and Tacoma City Council pursuant to
19 Tacoma City Charter section 4.11, and
20

21 WHEREAS the recommended changes to the rates and regulations are
22 just, fair and reasonable, and are in the best interest of the citizens of Tacoma
23 and the customers of Tacoma Water, and Tacoma Water requests the Board
24 approve said revisions and amendments; Now, Therefore,
25
26



1 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

2 Sec. 1. The proposed revisions to Tacoma Water's regulations and
3 rates and charges are hereby approved, and the Council of the City of Tacoma
4 is requested to pass an ordinance approving such revisions by amending
5 Chapter 12.10 of the Tacoma Municipal Code, as set forth in the attached
6 Exhibit "A".
7

8 Sec. 2. PUB Resolution No. U-11102, is hereby repealed and replaced
9 with Resolution No. U-11130, in substantially the form as on file with the Clerk
10 of the Board, and in final form to be approved by the City Attorney.
11

12 Approved as to form:

Chair

13 
14 Chief Deputy City Attorney

Secretary

15
16 Clerk

Adopted



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
Scott Dewhirst, Tacoma Water Superintendent
FROM: Sean Senescall, Tacoma Water Finance and Analytics Manager
MEETING DATE: December 3, 2019
DATE: November 20, 2019

SUMMARY:

Tacoma Water requests approval by the Public Utility Board (PUB) to amend and revise sections of Chapter 12.10 (Water Regulations and Rates) in Title 12 (Utilities) of the Tacoma Municipal Code (TMC).

The requested changes are for wholesale rate adjustments effective January 1, 2020; system development charge adjustments effective January 1, 2020; fixed fees adjustments effective each January 1st starting in 2020 through 2024; and repealing Resolution U-11102 in its entirety.

BACKGROUND:

Resolution U-11102 was adopted on September 11, 2019 for the requested rate adjustments. However, changes were not made to the most recent version of the TMC. This request repeals and replaces Resolution U-11102 and incorporates changes to the most recent version of the TMC while addressing additional errors in the Resolution.

Wholesale Rate Structure. Tacoma Water serves 15 wholesale customers in the region. We have contractually obligated about 18 million gallons per day (MGD) of supply to the wholesale class, but only 2.5 MGD are consumed annually. In 2018, the wholesale class generated approximately \$3.3 million in revenue, or 4% of total revenue, and 2.4 MGD of demand, or 5% of total demand.

Wholesale revenue and demand have been declining while ongoing costs to maintain our supply obligation remain. Tacoma Water is proposing a revenue neutral wholesale rate design based on contracted peak capacity that would increase the fixed charge while decreasing the variable rate.

The requested change in 12.10.400 updates the monthly ready to serve charge based on contracted peak capacity and variable winter and summer rates for the wholesale class.

Resolution U-11102 updated the ready to service charge based on contracted peak capacity for the wholesale class. However, the annual rate was listed instead of the monthly rate. To ensure consistency with other ready to serve charges, the requested change in 12.10.400 will also update the ready to serve charge from an annual rate to a monthly rate for the wholesale class.

System Development Charge. Tacoma Water assesses system development charges (SDC) for water service connections. It is a one-time charge for connection to the water system, service upgrade that requires a larger meter, or existing service for larger meters that exceeds usage thresholds. The SDC is typically charged to new development, commercial, and wholesale customers. From 2014 – 2018, the average annual SDC revenue was \$2.9 million.



Board Action Memorandum

SDCs were last updated in 2004. Since this time, changes have occurred in our system capacity, plant assets, capital projects, debt, and demand. Refreshing the charge to reflect these changes will provide us with an updated schedule with the goal of ensuring generational equity within our water system.

The requested change in 12.10.310 updates the SDC schedules and removes references to “four-day maximum” in the SDC methodology since it will be combined with “peak day.”

Resolution U-11102 updated the system development charge for all customers. However, the inside city of Tacoma charges were listed instead of the outside city of Tacoma charges for wholesale customers. To correct and mitigate this error in the future, the requested change in 12.10.310 will also remove charges listed in 6.F. and cross-reference the system development charge table for 3” meter size or larger.

Fixed Fees. In addition to SDCs, Tacoma Water also assesses fixed charges for water service installations, commonly known as fixed fees. This is a one-time charge for water service installations in schools, shopping centers, restaurants, residential homes, and apartments. In circumstances where fixed fees are not adequate to cover the actual costs, charges are based upon actual costs, commonly referred to as Time & Materials (T&M). From June 2017 – May 2019, fixed fees and T&M generated approximately \$2.0 million in revenue.

Fixed fees were last updated in 2009. Since this time, our cost of service has become misaligned with our fixed fees. From June 2017 – May 2019, we under collected approximately \$385,000 in fixed fees. Refreshing the charge to reflect current costs will allow us to align our fees with actual expenses, reduce staff time, and shorten the time of quote delivery to our customers.

The requested change in 12.10.250 updates the fixed fee schedules, removes references to “Automated Meter Reading (AMR),” and changes the installation of 3/4-inch service and 5/8-inch meter size for residential domestic service from being a requirement to being a standard.

Outreach. In preparation for these requests, Tacoma Water has sought input from wholesale customers, developers, builders, and members of the public through various meetings and public information sessions.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A

ATTACHMENTS:

- City Council Action Memorandum (CAM)
- TMC
- TMC (redline)

CONTACT:

- Primary Contact: Lyna Vo, Utilities Economist, (253) 441-4942
- Supervisor: Jodi Collins, Financial Stewardship Manager
- Presenter: Lyna Vo, Utilities Economist



TO: Mayor and City Council
FROM: Jackie Flowers, Director of Utilities
COPY: Elizabeth Pauli, City Manager and Doris Sorum, City Clerk
SUBJECT: Amend and revise TMC Chapter 12.10 and Repeal Ordinance No. 28614 – December 10, 2019
DATE: November 20, 2019

SUMMARY:

Tacoma Water requests approval by the City Council to amend and revise sections of Chapter 12.10 (Water Regulations and Rates) in Title 12 (Utilities) of the Tacoma Municipal Code (TMC). The requested changes are for wholesale rate adjustments effective January 1, 2020; system development charge adjustments effective January 1, 2020; fixed fees adjustments effective each January 1st starting in 2020 through 2024; and repealing Ordinance No. 28614 in its entirety.

Ordinance No. 28614 was adopted on October 1, 2019 for the requested rate adjustments. However, changes were not made to the most recent version of the TMC. This request repeals and replaces Ordinance No. 28614 to incorporate changes to the most recent version of the TMC while addressing additional errors in the Ordinance.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

WHOLESALE RATE ADJUSTMENT

BACKGROUND:

Tacoma Water serves 15 wholesale customers in the region. We have contractually obligated about 18 million gallons per day (MGD) of supply to the wholesale class, but only 2.5 MGD are consumed annually. In 2018, the wholesale class generated approximately \$3.3 million in revenue, or 4% of total revenue, and 2.4 MGD of demand, or 5% of total demand.

In preparation for this request, Tacoma Water sought input from wholesale customers through various wholesale group and individual meetings. A meeting for Public Utility Board consideration will be held on December 4, 2019 and the first reading by the City Council is scheduled for December 10, 2019.

ISSUE:

Wholesale revenue and demand have been declining while ongoing costs to maintain our supply obligation remain. Tacoma Water is proposing a revenue neutral wholesale rate design that would increase the fixed rate while decreasing the variable rate.

Ordinance No. 28614 updated the ready to service charge based on contracted peak capacity for the wholesale class. However, the annual rate was listed instead of the monthly rate. To ensure consistency with other ready to serve charges, the requested change in 12.10.400 will also update the ready to serve charge from an annual rate to a monthly rate for the wholesale class.

ALTERNATIVES:



The Council could choose not to repeal Ordinance No. 28614. However, if this ordinance is not repealed, the monthly rate would be referenced as an annual rate, which could cause customer confusion.

RECOMMENDATION:

Tacoma Water requests approval by the City Council for wholesale rate adjustments effective January 1, 2020. This updates the monthly ready to serve charge based on contracted peak capacity and variable winter and summer rates for the wholesale class in 12.10.400.

FISCAL IMPACT:

Without changes to our wholesale pricing and policy, we could experience a potential annual opportunity cost up to \$3.6 million.

SYSTEM DEVELOPMENT CHARGE ADJUSTMENT**BACKGROUND:**

Tacoma Water assesses system development charges (SDC) for water service connections. It is a one-time charge for connection to the water system, service upgrade that requires a larger meter, or existing service for larger meters that exceeds usage thresholds. The SDC is typically charged to new development, commercial and wholesale customers. From 2014 – 2018, the average annual SDC revenue was \$2.9 million.

In preparation for this request, Tacoma Water sought input from developers, builders, and members of the public through various meetings and public information sessions. A meeting for Public Utility Board consideration will be held on December 4, 2019 and the first reading by the City Council is scheduled for December 10, 2019.

ISSUE:

SDCs were last updated in 2004. Since this time, changes have occurred in our system capacity, plant assets, capital projects, debt, and demand. Refreshing the charge to reflect these changes will provide us with an updated schedule with the goal of ensuring generational equity within our water system.

Ordinance No. 28614 updated the system development charge for all customers. However, the inside city of Tacoma charges were listed instead of the outside city of Tacoma charges for wholesale customers. To correct and mitigate this error in the future, the requested change in 12.10.310 will also remove charges listed in 6.F. and cross-reference the system development charge table for 3" meter size or larger.

ALTERNATIVES:

The Council could choose not to repeal Ordinance No. 28614. However, if this ordinance is not repealed, reference to SDCs for wholesale customers would be incorrect.

RECOMMENDATION:

Tacoma Water requests approval by the City Council for system development charge adjustments effective January 1, 2020. This updates the SDC schedules, removes references to "four-day maximum" in the SDC methodology since it will be combined with "peak day" in 12.10.310, and correctly references the SDC calculation for wholesale customers.

FISCAL IMPACT:

Since we are requesting a reduction to this charge, we could see a decline in SDC revenue. However, Tacoma Water is a cost of service utility and this reduction aligns with our core ratemaking principles.

**FIXED FEES ADJUSTMENT****BACKGROUND:**

In addition to SDCs, Tacoma Water also assesses fixed charges for water service installations, commonly known as fixed fees. This is a one-time charge for water service installations in schools, shopping centers, restaurants, residential homes, and apartments. In circumstances where fixed fees are not adequate to cover the actual costs, charges are based upon actual costs, commonly referred to as Time & Materials (T&M). From June 2017 – May 2019, fixed fees and T&M generated approximately \$2.0 million in revenue.

In preparation for this request, Tacoma Water has sought input from developers, builders, and members of the public through various meetings and public information sessions. A meeting for Public Utility Board consideration will be held on December 4, 2019 and the first reading by the City Council is scheduled for December 10, 2019.

ISSUE:

Fixed fees were last updated in 2009. Since this time, our cost of service has become misaligned with our fixed fees. From June 2017 – May 2019, we under collected approximately \$385,000 in fixed fees. Refreshing the charge to reflect current costs will allow us to align our fees with actual expenses, reduce staff time, and shorten the time of quote delivery to our customers.

ALTERNATIVES:

The Council could choose not to repeal Ordinance No. 28614 and the previously approved fee schedule would remain intact.

RECOMMENDATION:

Tacoma Water requests approval by City Council for Fixed Fee adjustments effective each January 1st starting in 2020 through 2024. This updates the fixed fee schedules, removes references to “Automated Meter Reading (AMR),” and changes the installation of 3/4-inch service and 5/8-inch meter size for residential domestic service from being a requirement to being a standard in 12.10.250.

FISCAL IMPACT:

Since we are attempting to achieve full cost recovery, we anticipate a revenue increase of approximately \$200,000 annually. Otherwise, fixed fees are subsidized in order to achieve cost recovery.

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Wholesale	581100	4343224	\$0
System Development Charge	587600	6371105	-\$1,300,000
Fixed Fees	587800	6371105	\$200,000
TOTAL			-\$1,100,00

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1.1 million.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes.

EXHIBIT A

CHAPTER 12.10

WATER – REGULATIONS AND RATES

Sections:

- 12.10.010 Rules established.
- 12.10.020 Definitions.
- 12.10.030 Water service inside/outside City limits.
- 12.10.035 Ability to supply water within City limits.
- 12.10.040 Application for service.
- 12.10.045 Services and meters.
- 12.10.050 Establishment of service account and request for turn-on.
- 12.10.060 Billing.
- 12.10.110 Turn-on and/or - Unauthorized use.
- 12.10.115 Turn-off, turn-on - Responsibility and liability.
- 12.10.120 Turn-off, turn-on - Condemned buildings.
- 12.10.125 Damage of water service installation.
- 12.10.130 Termination of service.
- 12.10.150 Interruption of service.
- 12.10.170 Ownership of water mains and appurtenances.
- 12.10.180 Operation of private water systems.
- 12.10.200 Private contract charges.
- 12.10.220 Cross connections.
- 12.10.250 Water service construction charges.
- 12.10.275 Property-side (private) in public rights-of-way.
- 12.10.300 Fire hydrant installation and relocation.
- 12.10.301 Fire hydrant services fee.
- 12.10.302 System capacity flow testing.
- 12.10.303 *Repealed.*
- 12.10.305 Fire hydrant use (non-fire fighting).
- 12.10.310 System development charge (“SDC”).
- 12.10.315 Water main charge.
- 12.10.350 Premises not abutting a permanent water main.
- 12.10.400 Rates - Inside and outside City limits.
- 12.10.485 City not liable for damages.
- 12.10.490 Protection of public health.
- 12.10.495 South Tacoma Groundwater Protection.
- 12.10.500 Waivers - By Superintendent.
- 12.10.505 Customer service policies - Additional rules and regulations.
- 12.10.515 Violations - Penalties - Enforcement.
- 12.10.520 Severability.
- 12.10.525 Interference with and/or damage to City water system.

12.10.250 Water service construction charges.

All water service installations shall be constructed by the Division. For all service installations, the owner or applicant shall pay in advance the fixed charge or a deposit in the amount of the Division's estimated cost for the proposed work. For all estimated work the requestor will be required to sign a time and materials agreement noting their acceptance of the responsibility to pay the actual charges. The amount charged for work performed on an estimated basis will be actual costs to the Division. If the actual cost is less than the estimated cost, the customer will be refunded the difference. Should the cost of the installation exceed the deposit amount, the additional amount will be billed to the customer that signed the time and materials agreement accepting the responsibility for actual charges. Failure to pay charges may result in, but not be limited to, termination of water service.

All required City, county, state, and/or other permits and fees are in addition to the charges listed below.

A. Water service construction charges on existing mains shall be as set forth below. In extraordinary circumstances where the Division determines that the fixed charges are not adequate to cover the actual costs, the water service construction charge will be based upon actual costs to the Division, including overhead and taxes.

Water Service Construction Charges on Existing Mains

Type of Service	Effective Dates				
	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24
3/4" Service with 5/8" Meter	\$3,250	\$3,350	\$3,450	\$3,550	\$3,660
1" Service with 5/8" Meter	\$3,600	\$3,800	\$4,010	\$4,230	\$4,460
1" Service with 3/4" Meter	\$3,675	\$3,900	\$4,140	\$4,400	\$4,670
1" Service with 1" Meter	\$3,825	\$4,040	\$4,270	\$4,510	\$4,760
Meter Exchange from 5/8" to 3/4"	\$700	\$720	\$740	\$760	\$790
Meter Exchange from 5/8" to 1"	\$700	\$720	\$740	\$760	\$790
Meter Exchange from 3/4" to 5/8"	\$325	\$330	\$340	\$360	\$370
Meter Exchange from 3/4" to 1"	\$700	\$720	\$740	\$760	\$790
Meter Exchange from 1" to 5/8"	\$200	\$210	\$210	\$220	\$230
Meter Exchange from 1" to 3/4"	\$200	\$210	\$210	\$220	\$230

Service construction charges for services larger than 1-inch will be estimated based upon actual costs to the Division, including overhead.

All services and meters applied for shall be installed within two years of the application. Those customers who have not requested their water service and meter be installed within the two-year period will be required to pay the difference in all current charges and the charges paid at time of application, including the system development charge ("SDC").

Where a service stub was previously installed at the option of the Division, activation of that service shall require payment of all current fees and charges including service construction charge in effect at the time of application for service.

B. Installation of Services and Meters on New Mains. The standard for residential domestic service is the installation of 3/4-inch services and 5/8-inch meters. Larger service and meter sizes may be provided if requested by the customer and the Division approves the request, or if the Division determines larger service and/or meter is necessary. The developer requesting services and meters for use other than domestic service for residential will be required to provide additional information on the proposed use. Plan review will be required to determine sizing requirements. For stubs, installation occurs after successful samples and pressure tests. For meter installations, system development charges will also apply.

Installation of Services and Meters on New Mains					
Type of Installation	Effective Dates				
	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24
3/4" Service Stub	\$925	\$950	\$980	\$1,010	\$1,040
1" Service Stub	\$975	\$1,000	\$1,030	\$1,070	\$1,100
5/8" Meter Only	\$200	\$210	\$210	\$220	\$230
3/4" Meter Only	\$350	\$410	\$480	\$560	\$660
1" Meter Only	\$500	\$520	\$530	\$550	\$560
5/8" Meter, Yoke & Box	\$475	\$490	\$500	\$520	\$530
3/4" Meter, Yoke & Box	\$675	\$720	\$780	\$830	\$890
1" Meter, Yoke & Box	\$1,200	\$1,240	\$1,280	\$1,320	\$1,360

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 6; passed Dec. 19, 2006; Ord. 27522 § 12; passed Aug. 29, 2006; Ord. 27299 § 5; passed Dec. 7, 2004; Ord. 27024 § 5; passed Dec. 10, 2002; Ord. 26800 § 12; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

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.

System Development Charges – 2” Meter Size or Smaller				
Meter Size (Inches)	Residential		Commercial & Other	
	Inside City	Outside City	Inside City	Outside City
	Effective Date			
	1/1/20	1/1/20	1/1/20	1/1/20
5/8	\$809	\$970	\$1,061	\$1,273
3/4	\$1,213	\$1,456	\$1,592	\$1,910
1	\$2,022	\$2,426	\$2,653	\$3,183
1.5	\$4,043	\$4,852	\$5,306	\$6,367
2	\$6,469	\$7,763	\$8,489	\$10,187

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 the time of application for services.

For meters 3-inches and larger, estimates of anticipated average day and peak day 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.

System Development Charges – 3” Meter Size or Larger		
Cost per Gallon	Inside City of Tacoma	Outside City of Tacoma
	Effective Date	
	1/1/20	1/1/20
Average Day	\$2.09	\$2.51
Peak Day	\$2.09	\$2.51

The SDC will be the sum of the average day use multiplied by the average day cost/gallon and the peak day use minus average day use multiplied by the peak day 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 or peak day use during a 12-month period of time, an additional SDC will be charged, using the same methodology for calculating average day and peak day 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 ¾-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 ¾-inch x 5/8-inch service and meter an exchange to a ¾-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 ¾" 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 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 and peak day 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. The average and peak day SDC costs are determined by the charges set forth in the Outside City of Tacoma column of the System Development Charges table for 3" meter size or larger of this section.

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

The SDC, as of the effective date of this ordinance, will be adjusted annually based on actual usage. If usage is greater than 110 percent of the anticipated average or peak day use during a 12-month period of time, an additional SDC may be charged using the same methodology for calculating average day and peak day 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.

(Ord. 28413 Ex. A; passed Mar. 21, 2017; Ord. 28286 Ex. A; passed Mar. 17, 2015; Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 8; passed Dec. 19, 2006; Ord. 27522 § 17; passed Aug. 29, 2006; Ord. 27299 § 8; passed Dec. 7, 2004; Ord. 27024 § 6; passed Dec. 10, 2002; Ord. 26872 § 1; passed Nov. 6, 2001; Ord. 26800 § 14; passed Apr. 10, 2001; Ord. 26408 § 1; passed Apr. 27, 1999; Ord. 26048 § 1; passed Mar. 25, 1997)

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 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, and public fire protection fees, where applicable. The standard charge for wholesale shall consist of a monthly ready to serve charge based on contracted peak capacity together with a 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 calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies in accordance with the following schedule for residential, commercial/industrial, and commercial/industrial large volume.

Residential, Commercial & Large Volume – Ready to Serve Charge

Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
5/8	\$24.76	\$24.95	\$29.94	\$30.21
3/4	\$35.79	\$35.98	\$43.18	\$43.45
1	\$57.84	\$58.03	\$69.64	\$69.91
1.5	\$112.96	\$113.15	\$135.78	\$136.05
2	\$179.11	\$179.30	\$215.16	\$215.43
3	\$333.46	\$333.65	\$400.38	\$400.65
4	\$553.96	\$554.15	\$664.98	\$665.25
6	\$1,105.21	\$1,105.40	\$1,326.48	\$1,326.75
8	\$1,766.71	\$1,766.90	\$2,120.28	\$2,120.55
10	\$2,538.46	\$2,538.65	\$3,046.38	\$3,046.65
12	\$3,723.65	\$3,723.84	\$4,468.61	\$4,468.88

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

Parks and Irrigation – Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
5/8	\$11.03	\$7.35	\$13.23	\$8.82
3/4	\$16.54	\$11.03	\$19.85	\$13.23
1	\$27.57	\$18.38	\$33.08	\$22.05
1.5	\$55.13	\$36.75	\$66.15	\$44.10
2	\$88.20	\$58.80	\$105.84	\$70.56
3	\$165.38	\$110.25	\$198.45	\$132.30
4	\$275.63	\$183.75	\$330.75	\$220.50
6	\$551.25	\$367.50	\$661.50	\$441.00
8	\$882.00	\$588.00	\$1,058.40	\$705.60
10	\$1,267.88	\$845.25	\$1,521.45	\$1,014.30
12	\$1,860.47	\$1,240.31	\$2,232.57	\$1,488.38

The monthly ready to serve charge shall be in accordance with a wholesale customer's contracted peak capacity in MGD times the monthly rate.

Wholesale – Ready to Serve Charge	
Range in MGD (million gallons per day)	Rate Effective Date
	1/1/20
For each MGD of contracted peak capacity	\$1,276.20

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 City of Tacoma	Outside City of Tacoma

	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
Winter Tier: For each CCF of water consumption during the winter months of October through and including May	\$2.011	\$2.132	\$2.413	\$2.558
Summer Tier 1: For the first five CCF of water consumption per month during the summer months of June through and including September	\$2.011	\$2.132	\$2.413	\$2.558
Summer Tier 2: For each CCF of water consumption over five CCF during the summer months of June through and including September	\$2.514	\$2.665	\$3.016	\$3.198

Commercial and Industrial – General Service – Rate per CCF				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$2.209	\$2.298	\$2.651	\$2.758

Commercial and Industrial – Large Volume Service – Rate per CCF.				
Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$1.784	\$1.787	\$2.141	\$2.144

Parks and Irrigation Service – Rate per CCF				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$3.739	\$3.998	\$4.487	\$4.798

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 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.

a. Constant Use Customer:

Wholesale Constant Use Customer – Rate per CCF	
Range in CCF (100 cubic feet)	Rate Effective Date
	1/1/20

Per CCF for winter months (October – May)	\$1.797
Per CCF for summer months (June – September)	\$2.246

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)	Rate Effective Date
	1/1/20
For each CCF of water consumption	\$3.369

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.

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.

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 City of Tacoma		Outside City of Tacoma		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	Rate Effective Dates				
	1/1/2019	1/1/2020	1/1/2019	1/1/2020	

2	\$27.37	\$28.78	\$32.84	\$34.54	2.99
3	\$39.85	\$41.91	\$47.82	\$50.29	2.99
4	\$66.58	\$70.01	\$79.90	\$84.01	2.99
6	\$149.35	\$157.04	\$179.22	\$188.45	2.99
8	\$265.87	\$279.57	\$319.04	\$335.48	2.99
10	\$415.86	\$437.28	\$499.03	\$524.74	2.99
12	\$665.16	\$699.43	\$798.19	\$839.32	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				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$3.960	\$3.960	\$4.752	\$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.

E. The Pulp Mill Contract. The rates, terms, and conditions in the contract originally entered between the City and RockTenn CP, LLC (“Pulp 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.

Pulp Mill		
Billing Components	Rate Effective Dates	
	1/1/2019	1/1/2020
Distribution Charge per Month	\$82,296.95	\$84,354.37
Supply Charge/CCF	\$0.7620256	\$0.7810762
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.784	\$1.787

4. The Superintendent is hereby authorized to execute a contract with the Pulp Mill to provide additional terms and conditions of service and other provisions consistent with this ordinance.

F. 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.

G. 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.

H. 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.

I. 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	
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Hyada Mutual Service Company	Total Monthly Charge \$30.00 per month through July 2022
Andrain	Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.
Curran Road	Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.

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

(Ord. 28554 Ex. A; passed Nov. 20, 2018: Ord. 28490 Ex. A, passed Feb. 13, 2018: Ord. 28423 Ex. A; passed Apr. 11, 2017: Ord. 28413 Ex. A; passed Mar. 21, 2017: Ord. 28305 Ex. A; passed Jul. 14, 2015: Ord. 28286 Ex. A; passed Mar. 17, 2015: Ord. 28133 Ex. A; passed Feb. 26, 2013: Ord. 27971 Ex. A; passed Feb. 8, 2011: Ord. 27970 Ex. A; passed Feb. 1, 2011: Ord. 27778 Ex. A; passed Jan. 6, 2009: Ord. 27570 § 9; passed Dec. 19, 2006: Ord. 27522 § 20; passed Aug. 29, 2006: Ord. 27299 § 11; passed Dec. 7, 2004: Ord. 27137 § 2; passed Sep. 9, 2003: Ord. 27076 § 1; passed Apr. 8, 2003: Ord. 27024 § 7; passed Dec. 10, 2002: Ord. 26872 § 2; passed Nov. 6, 2001: Ord. 26800 § 16; passed Apr. 10, 2001: Ord. 26409 § 1; passed Apr. 27, 1999: Ord. 26048 § 1; passed Mar. 25, 1997)

CHAPTER 12.10

WATER – REGULATIONS AND RATES

Sections:

- 12.10.010 Rules established.
- 12.10.020 Definitions.
- 12.10.030 Water service inside/outside City limits.
- 12.10.035 Ability to supply water within City limits.
- 12.10.040 Application for service.
- 12.10.045 Services and meters.
- 12.10.050 Establishment of service account and request for turn-on.
- 12.10.060 Billing.
- 12.10.110 Turn-on and/or - Unauthorized use.
- 12.10.115 Turn-off, turn-on - Responsibility and liability.
- 12.10.120 Turn-off, turn-on - Condemned buildings.
- 12.10.125 Damage of water service installation.
- 12.10.130 Termination of service.
- 12.10.150 Interruption of service.
- 12.10.170 Ownership of water mains and appurtenances.
- 12.10.180 Operation of private water systems.
- 12.10.200 Private contract charges.
- 12.10.220 Cross connections.
- 12.10.250 Water service construction charges.
- 12.10.275 Property-side (private) in public rights-of-way.
- 12.10.300 Fire hydrant installation and relocation.
- 12.10.301 Fire hydrant services fee.
- 12.10.302 System capacity flow testing.
- 12.10.303 *Repealed.*
- 12.10.305 Fire hydrant use (non-fire fighting).
- 12.10.310 System development charge ("SDC").
- 12.10.315 Water main charge.
- 12.10.350 Premises not abutting a permanent water main.
- 12.10.400 Rates - Inside and outside City limits.
- 12.10.485 City not liable for damages.
- 12.10.490 Protection of public health.
- 12.10.495 South Tacoma Groundwater Protection.
- 12.10.500 Waivers - By Superintendent.
- 12.10.505 Customer service policies - Additional rules and regulations.
- 12.10.515 Violations - Penalties - Enforcement.
- 12.10.520 Severability.
- 12.10.525 Interference with and/or damage to City water system.

12.10.250 Water service construction charges.

All water service installations shall be constructed by the Division. For all service installations, the owner or applicant shall pay in advance the fixed charge or a deposit in the amount of the Division's estimated cost for the proposed work. For all estimated work the requestor will be required to sign a time and materials agreement noting their acceptance of the responsibility to pay the actual charges. The amount charged for work performed on an estimated basis will be actual costs to the Division, ~~including overhead cost of installation of Automated Meter Reading ("AMR") equipment when applicable.~~ If the actual cost is less than the estimated cost, the customer will be refunded the difference. Should the cost of the installation exceed the deposit amount, the additional amount will be billed to the customer that signed the time and materials agreement accepting the responsibility for actual charges. Failure to pay charges may result in, but not be limited to, termination of water service.

All required City, county, state, and/or other permits and fees are in addition to the charges listed below.

A. Water service construction charges on existing mains shall be as set forth below. In extraordinary circumstances where the Division determines that the fixed charges are not adequate to cover the actual costs, the water service construction charge will be based upon actual costs to the Division, including overhead and taxes.

	Effective 1/19/2009
3/4-inch Service & 5/8-inch Meter	\$2,325
3/4-inch Service & 3/4-inch Meter	\$2,400
1-inch Service & 5/8-inch Meter	\$2,400
1-inch Service & 3/4-inch Meter	\$2,450
1-inch Service & 1-inch Meter	\$2,550
Meter exchange from 5/8" to 3/4"	\$625
Meter exchange from 3/4" to 5/8"	\$325

Water Service Construction Charges on Existing Mains					
Type of Service	Effective Dates				
	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24
3/4" Service with 5/8" Meter	\$3,250	\$3,350	\$3,450	\$3,550	\$3,660
1" Service with 5/8" Meter	\$3,600	\$3,800	\$4,010	\$4,230	\$4,460
1" Service with 3/4" Meter	\$3,675	\$3,900	\$4,140	\$4,400	\$4,670
1" Service with 1" Meter	\$3,825	\$4,040	\$4,270	\$4,510	\$4,760
Meter Exchange from 5/8" to 3/4"	\$700	\$720	\$740	\$760	\$790
Meter Exchange from 5/8" to 1"	\$700	\$720	\$740	\$760	\$790
Meter Exchange from 3/4" to 5/8"	\$325	\$330	\$340	\$360	\$370
Meter Exchange from 3/4" to 1"	\$700	\$720	\$740	\$760	\$790
Meter Exchange from 1" to 5/8"	\$200	\$210	\$210	\$220	\$230
Meter Exchange from 1" to 3/4"	\$200	\$210	\$210	\$220	\$230

Service construction charges for services larger than 1-inch will be estimated based upon actual costs to the Division, including overhead. ~~Service construction charges for water meters 3-inches and larger, or as required by the Division, will include the cost of installation of AMR equipment in accordance with the most current requirements. AMR is also required on all wholesale meters.~~

All services and meters applied for shall be installed within two years of the application. Those customers who have not requested their water service and meter be installed within the two-year period will be required to pay the difference in all current charges and the charges paid at time of application, including the system development charge ("SDC").

Where a service stub was previously installed at the option of the Division, activation of that service shall require payment of all current fees and charges including service construction charge in effect at the time of application for service.

B. Installation of Services and Meters on New Mains. ~~Domestic service for residential will require the installation of 3/4-inch services and 5/8-inch meters. The standard for residential domestic service is the installation of 3/4-inch services and 5/8-inch meters. Larger service and meter sizes may be provided if requested by the customer and the Division approves the request, or if the Division determines larger service and/or meter is necessary.~~ The developer requesting services and meters for use other than domestic service for residential will be required to provide additional information on the proposed use. Plan review will be required to determine sizing requirements. ~~For stubs, installation occurs after successful samples and pressure tests. For meter installations, system development charges will also apply.~~

Stub Only	Effective 1/19/2009
a. 3/4-inch Service stubs installed after successful samples and pressure tests.	\$750/service
b. 1-inch Service stubs installed after successful samples and pressure tests.	\$800/service
Meter, Yoke and Box	Effective
a. 5/8-inch Meter, yoke and box installed when requested.	\$400/meter plus the SDC
b. 3/4-inch Meter, yoke and box installed when requested.	\$450/meter plus the SDC
Meter Only	Effective 1/19/2009
a. 5/8-inch Meter installed when requested	\$175/meter plus the SDC
b. 3/4-inch Meter installed when requested.	\$225/meter plus the SDC

Installation of Services and Meters on New Mains

<u>Type of Installation</u>	<u>Effective Dates</u>				
	<u>1/1/20</u>	<u>1/1/21</u>	<u>1/1/22</u>	<u>1/1/23</u>	<u>1/1/24</u>
<u>3/4" Service Stub</u>	<u>\$925</u>	<u>\$950</u>	<u>\$980</u>	<u>\$1,010</u>	<u>\$1,040</u>
<u>1" Service Stub</u>	<u>\$975</u>	<u>\$1,000</u>	<u>\$1,030</u>	<u>\$1,070</u>	<u>\$1,100</u>
<u>5/8" Meter Only</u>	<u>\$200</u>	<u>\$210</u>	<u>\$210</u>	<u>\$220</u>	<u>\$230</u>
<u>3/4" Meter Only</u>	<u>\$350</u>	<u>\$410</u>	<u>\$480</u>	<u>\$560</u>	<u>\$660</u>
<u>1" Meter Only</u>	<u>\$500</u>	<u>\$520</u>	<u>\$530</u>	<u>\$550</u>	<u>\$560</u>
<u>5/8" Meter, Yoke & Box</u>	<u>\$475</u>	<u>\$490</u>	<u>\$500</u>	<u>\$520</u>	<u>\$530</u>
<u>3/4" Meter, Yoke & Box</u>	<u>\$675</u>	<u>\$720</u>	<u>\$780</u>	<u>\$830</u>	<u>\$890</u>
<u>1" Meter, Yoke & Box</u>	<u>\$1,200</u>	<u>\$1,240</u>	<u>\$1,280</u>	<u>\$1,320</u>	<u>\$1,360</u>

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 6; passed Dec. 19, 2006; Ord. 27522 § 12; passed Aug. 29, 2006; Ord. 27299 § 5; passed Dec. 7, 2004; Ord. 27024 § 5; passed Dec. 10, 2002; Ord. 26800 § 12; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

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			
	1/1/2003	1/1/2004	1/1/2003	1/1/2004
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			

<u>System Development Charges – 2" Meter Size or Smaller</u>				
<u>Meter Size (Inches)</u>	<u>Residential</u>		<u>Commercial & Other</u>	
	<u>Inside City</u>	<u>Outside City</u>	<u>Inside City</u>	<u>Outside City</u>
	<u>Effective Date</u>			
	<u>1/1/20</u>	<u>1/1/20</u>	<u>1/1/20</u>	<u>1/1/20</u>
<u>5/8</u>	<u>\$809</u>	<u>\$970</u>	<u>\$1,061</u>	<u>\$1,273</u>
<u>3/4</u>	<u>\$1,213</u>	<u>\$1,456</u>	<u>\$1,592</u>	<u>\$1,910</u>
<u>1</u>	<u>\$2,022</u>	<u>\$2,426</u>	<u>\$2,653</u>	<u>\$3,183</u>
<u>1.5</u>	<u>\$4,043</u>	<u>\$4,852</u>	<u>\$5,306</u>	<u>\$6,367</u>
<u>2</u>	<u>\$6,469</u>	<u>\$7,763</u>	<u>\$8,489</u>	<u>\$10,187</u>

Meter Size	Outside City Residential Charges		Outside City Commercial/Industrial Charges	
	Effective			
	1/1/2003	1/1/2004	1/1/2003	1/1/2004
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 the time of application for services.

~~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. For meters 3-inches and larger, estimates of anticipated average day and peak day 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).~~

System Development Charges – 3" Meter Size or Larger		
Cost per Gallon	Inside City of Tacoma	Outside City of Tacoma
	Effective Date	
	1/1/20	1/1/20
Average Day	\$2.09	\$2.51
Peak Day	\$2.09	\$2.51

The SDC will be the sum of the average day use multiplied by the average day cost/gallon, ~~and 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, ~~or~~ 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, ~~and~~ 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 ¾-inch x 5/8-inch service and meter an exchange to a ¾-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 ¾" 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 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, ~~and~~ 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 average and peak day SDC costs are determined by the charges set forth in the Outside City of Tacoma column of the System Development Charges table for 3" meter size or larger of this section.~~

The SDC will be the sum of the average day use multiplied by the average day cost/gallon, ~~and~~ 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.~~

The SDC, as of the effective date of this ordinance, will be adjusted annually based on actual usage. If usage is greater than 110 percent of the anticipated average, ~~or~~ 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, ~~and~~ 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.

(Ord. 28413 Ex. A; passed Mar. 21, 2017; Ord. 28286 Ex. A; passed Mar. 17, 2015; Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 8; passed Dec. 19, 2006; Ord. 27522 § 17; passed Aug. 29, 2006; Ord. 27299 § 8; passed Dec. 7, 2004; Ord. 27024 § 6; passed Dec. 10, 2002; Ord. 26872 § 1; passed Nov. 6, 2001; Ord. 26800 § 14; passed Apr. 10, 2001; Ord. 26408 § 1; passed Apr. 27, 1999; Ord. 26048 § 1; passed Mar. 25, 1997)

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 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, and public fire protection fees, where applicable. The standard charge for wholesale shall consist of a monthly ready to serve charge based on contracted peak capacity together with a 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 calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies in accordance with the following schedule for residential, commercial/industrial, and commercial/industrial large volume.

Residential, Commercial & Large Volume – Ready to Serve Charge

Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
5/8	\$24.76	\$24.95	\$29.94	\$30.21
3/4	\$35.79	\$35.98	\$43.18	\$43.45
1	\$57.84	\$58.03	\$69.64	\$69.91
1.5	\$112.96	\$113.15	\$135.78	\$136.05
2	\$179.11	\$179.30	\$215.16	\$215.43
3	\$333.46	\$333.65	\$400.38	\$400.65
4	\$553.96	\$554.15	\$664.98	\$665.25
6	\$1,105.21	\$1,105.40	\$1,326.48	\$1,326.75
8	\$1,766.71	\$1,766.90	\$2,120.28	\$2,120.55
10	\$2,538.46	\$2,538.65	\$3,046.38	\$3,046.65
12	\$3,723.65	\$3,723.84	\$4,468.61	\$4,468.88

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

Parks and Irrigation – Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
5/8	\$11.03	\$7.35	\$13.23	\$8.82
3/4	\$16.54	\$11.03	\$19.85	\$13.23
1	\$27.57	\$18.38	\$33.08	\$22.05
1.5	\$55.13	\$36.75	\$66.15	\$44.10
2	\$88.20	\$58.80	\$105.84	\$70.56
3	\$165.38	\$110.25	\$198.45	\$132.30
4	\$275.63	\$183.75	\$330.75	\$220.50
6	\$551.25	\$367.50	\$661.50	\$441.00
8	\$882.00	\$588.00	\$1,058.40	\$705.60
10	\$1,267.88	\$845.25	\$1,521.45	\$1,014.30
12	\$1,860.47	\$1,240.31	\$2,232.57	\$1,488.38

~~The monthly ready to serve charge shall be in accordance with the following schedule for wholesale. The monthly ready to serve charge shall be in accordance with a wholesale customer's contracted peak capacity in MGD times the monthly rate.~~

Wholesale—Ready to Serve Charge		
Meter Size (Inches)	Rate Effective Dates	
	1/1/2019	1/1/2020
5/8	\$26.46	\$26.46
3/4	\$39.70	\$39.70
1	\$66.16	\$66.16
1.5	\$132.30	\$132.30

2	\$211.68	\$211.68
3	\$396.90	\$396.90
4	\$661.50	\$661.50
6	\$1,323.00	\$1,323.00
8	\$2,116.80	\$2,116.80
10	\$3,042.90	\$3,042.90
12	\$4,465.13	\$4,465.13

Wholesale – Ready to Serve Charge	
<u>Range in MGD (million gallons per day)</u>	<u>Rate Effective Date</u>
	<u>1/1/20</u>
<u>For each MGD of contracted peak capacity</u>	<u>\$1,276.20</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 City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
Winter Tier: For each CCF of water consumption during the winter months of October through and including May	\$2.011	\$2.132	\$2.413	\$2.558
Summer Tier 1: For the first five CCF of water consumption per month during the summer months of June through and including September	\$2.011	\$2.132	\$2.413	\$2.558
Summer Tier 2: For each CCF of water consumption over five CCF during the summer months of June through and including September	\$2.514	\$2.665	\$3.016	\$3.198

Commercial and Industrial – General Service – Rate per CCF				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$2.209	\$2.298	\$2.651	\$2.758

Commercial and Industrial – Large Volume Service – Rate per CCF.				
Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$1.784	\$1.787	\$2.141	\$2.144

Parks and Irrigation Service – Rate per CCF
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Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$3.739	\$3.998	\$4.487	\$4.798

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 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.

a. Constant Use Customer:

Wholesale Constant Use Customer—Rate per CCF		
Range in CCF (100 cubic feet)	Rate Effective Dates	
	1/1/2019	1/1/2020
Per CCF for winter months (October – May)	\$2.042	\$1.973
Per CCF for summer months (June – September)	\$2.553	\$2.466

Wholesale Constant Use Customer – Rate per CCF	
Range in CCF (100 cubic feet)	Rate Effective Date
	1/1/20
Per CCF for winter months (October – May)	\$1.797
Per CCF for summer months (June – September)	\$2.246

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)	Rate Effective Dates	
	1/1/2019	1/1/2020
For each CCF of water consumption	\$3.829	\$3.699

Wholesale Summer Season, Peaking – Rate per CCF	
Range in CCF (100 cubic feet)	Rate Effective Date
	1/1/20
For each CCF of water consumption	\$3.369

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.

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.

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 City of Tacoma		Outside City of Tacoma		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	Rate Effective Dates				
	1/1/2019	1/1/2020	1/1/2019	1/1/2020	
2	\$27.37	\$28.78	\$32.84	\$34.54	2.99
3	\$39.85	\$41.91	\$47.82	\$50.29	2.99
4	\$66.58	\$70.01	\$79.90	\$84.01	2.99
6	\$149.35	\$157.04	\$179.22	\$188.45	2.99
8	\$265.87	\$279.57	\$319.04	\$335.48	2.99
10	\$415.86	\$437.28	\$499.03	\$524.74	2.99
12	\$665.16	\$699.43	\$798.19	\$839.32	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				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$3.960	\$3.960	\$4.752	\$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.

E. The Pulp Mill Contract. The rates, terms, and conditions in the contract originally entered between the City and RockTenn CP, LLC ("Pulp 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.

Pulp Mill		
Billing Components	Rate Effective Dates	
	1/1/2019	1/1/2020
Distribution Charge per Month	\$82,296.95	\$84,354.37
Supply Charge/CCF	\$0.7620256	\$0.7810762
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.784	\$1.787

4. The Superintendent is hereby authorized to execute a contract with the Pulp Mill to provide additional terms and conditions of service and other provisions consistent with this ordinance.

F. 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.

G. 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.

H. 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.

I. 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
Andrain	Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.
Curran Road	Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.

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

(Ord. 28554 Ex. A; passed Nov. 20, 2018: Ord. 28490 Ex. A, passed Feb. 13, 2018: Ord. 28423 Ex. A; passed Apr. 11, 2017: Ord. 28413 Ex. A; passed Mar. 21, 2017: Ord. 28305 Ex. A; passed Jul. 14, 2015: Ord. 28286 Ex. A; passed Mar. 17, 2015: Ord. 28133 Ex. A; passed Feb. 26, 2013: Ord. 27971 Ex. A; passed Feb. 8, 2011: Ord. 27970 Ex. A; passed Feb. 1, 2011: Ord. 27778 Ex. A; passed Jan. 6, 2009: Ord. 27570 § 9; passed Dec. 19, 2006: Ord. 27522 § 20; passed Aug. 29, 2006: Ord. 27299 § 11; passed Dec. 7, 2004: Ord. 27137 § 2; passed Sep. 9, 2003: Ord. 27076 § 1; passed Apr. 8, 2003: Ord. 27024 § 7; passed Dec. 10, 2002: Ord. 26872 § 2; passed Nov. 6, 2001: Ord. 26800 § 16; passed Apr. 10, 2001: Ord. 26409 § 1; passed Apr. 27, 1999: Ord. 26048 § 1; passed Mar. 25, 1997)