



RESOLUTION NO. U-11344

1 A RESOLUTION related to revenue collection, approving the write-off of
2 uncollectible debt, for a total amount of \$30,595.88, pursuant to Tacoma
Municipal Code (TMC) 1.06.226.

3
4 WHEREAS the City of Tacoma, Department of Public Utilities, Light
5 Division (d/b/a "Tacoma Power") works diligently to collect revenue owed,
6 including communicating with vendors and other entities who might owe money
7 to the City, payment plan options, discussion with the City Attorney's office to
8 file a claim in court, capturing amounts from performance bonds, and/or
9 referring to the City's collection agency, and
10

11 WHEREAS occasionally, after such efforts are made, it is determined
12 that some amounts are uncollectable and need to be written off; if the City fails
13 to write-off the uncollectable debts, then the City's financial statements lose
14 accuracy as it reflects the City is owed more revenue than it anticipates
15 collecting, and
16

17 WHEREAS an amount of \$72,742.48, was invoiced to CDK Construction
18 Services, Inc. by Tacoma Power for damage to utility property occurring on
19 January 28, 2019, and
20

21 WHEREAS the amount of \$42,146.60 has been received from CDK
22 Construction Services, Inc. and, following the recommendation of the City
23 Attorney and Director of Utilities, it has been determined to be in the best
24 interest of Tacoma Power to accept the amount received as settlement of the
25 above invoice, and
26



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Roberta Cox, Power Section Asst. Manager, Tacoma Power T&D
MEETING DATE: September 28, 2022
DATE: September 14, 2022

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input type="checkbox"/> SD1 – Equity & Inclusion | <input type="checkbox"/> SD8 – Telecom |
| <input checked="" type="checkbox"/> SD2 – Financial Sustainability | <input type="checkbox"/> SD9 – Economic Development |
| <input type="checkbox"/> SD3 – Rates | <input type="checkbox"/> SD10 – Government Relations |
| <input type="checkbox"/> SD4 – Stakeholder Engagement | <input type="checkbox"/> SD11 – Decarbonization/Electric Vehicles |
| <input type="checkbox"/> SD5 – Environmental Leadership | <input type="checkbox"/> SD12 – Employee Relations |
| <input type="checkbox"/> SD6 – Innovation | <input type="checkbox"/> SD13 – Customer Service |
| <input type="checkbox"/> SD7 – Reliability & Resiliency | <input type="checkbox"/> SD14 – Resource Planning |

SUMMARY: Tacoma Power is seeking Public Utility Board approval to write-off an amount that exceeds \$25,000. Pursuant to TMC 1.06.226, write-offs over \$25,000 require Public Utility Board approval. An original amount of \$72,742.48 was invoiced to CDK Construction Services, Inc. for property damages occurring on January 28, 2019. In recommendation of the City Attorney and approval of the Director of Utilities, acceptance of a settlement offer of \$42,146.60 has been determined to be in the best interest of Tacoma Power. The remaining balance of \$30,595.88 is requested to be authorized to be written-off. In alignment with the City's Write-Off Policy 2.05, account amounts may be determined as uncollectable and written off when a final charge has been generated and all reasonable collection efforts have taken place.

BACKGROUND: The City works hard to collect revenue it is owed. These efforts include communications with vendors, payment plan options, discussion with the legal department to file a claim in court, capturing amounts from performance bonds, and/or referral to the City's collection agency. Occasionally, after such efforts are made, it is determined that an amount is uncollectable and needs to be written off. If the City fails to write-off the uncollectable debts, then the City's financial statements lose accuracy since it appears the City is owed more revenue than it actually anticipates collecting. By leaving the uncollectable amount on the City's books, the City's financial statements are overstated by \$30,595.88. It is a best practice to write-off uncollectable debt.



Board Action Memorandum

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

**IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS 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: Director of Utilities Authorized Property Damage Release

CONTACT:

Roberta Cox, Power Section Asst. Manager, Tacoma Power T&D
Supervisor's Name: Joseph Wilson, Transmission & Distribution Manager

CDK

Claim Number: 23876732

PROPERTY DAMAGE RELEASE

For the sole consideration of: Forty-Two Thousand One Hundred Forty-Six and 60/100 dollars (\$42,146.60) the undersigned hereby releases and forever discharges **C&R EXCAVATING & ASPHALT LLC, General Insurance Company of America, CDK Construction Services, Inc.** and all other persons, firms and corporations from all claims and demands, and rights and causes of action of any kind undersigned now has or hereafter may have on account of or in any arising out of property damage resulting or to result from an occurrence which happened on or about 1/28/2019 at South 11th and Martin Luther King Jr. Drive, Tacoma, WA and do hereby covenant to indemnify and save harmless the said party or parties from and against all claims and demands whatsoever on account of or in any way arising out of said occurrence or its results to property. This release expresses a full and complete SETTLEMENT of a liability claimed and denied, regardless of the adequacy of the above consideration, and the acceptance of this release shall not operate as an admission of liability on the part of anyone nor as an estoppel, waiver or bar with respect to any claim the party or parties release may have against the undersigned. Witness my hand seal.

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**YOU ARE MAKING A FINAL SETTLEMENT.
THIS IS A RELEASE: READ BEFORE SIGNING.**

Please have your signature notarized or verified by a witness.

Signed, sealed and delivered this 17 day of SEPTEMBER 2021

Claimant:

KENNETH CLARK
Printed Name

x [Signature]
Signature

Witness:

MARICA M. KOSSAN-JOHNSON x [Signature]
Printed Name Signature

State of Washington County of Pierce

Subscribed and sworn to before me this 17th day of September 2021

[Signature]
Notary Public

[Signature]

Jackie Flowers, Director of Utilities
December 8, 2021

