



RESOLUTION NO. U-11437

1 A RESOLUTION related to Tacoma Water; authorizing the adjustment of
2 Tacoma Water's service area, including the permanent relinquishment of
3 Pierce County parcel numbers 0418022029, 0418022030, 0418022031,
4 and 041802203, and further authorizing the Director Tacoma Public
5 Utilities and the Superintendent of Tacoma Water to execute any
6 necessary or convenient agreements to implement the service area
7 adjustment and relinquishment of the four parcels, provided that all such
8 agreements must be approved by the City Attorney's Office.

9 WHEREAS the developer of a proposed residential plat named Hidden
10 Hollow has requested the City of Tacoma, Department of Public Utilities, Water
11 Division ("Tacoma Water") provide a certificate of water availability and
12 commitment to serve water to six (6) vacant land parcels located within the
13 Graham Community Plan in Unincorporated Pierce County commonly known as
14 the Sunrise area of the South Hill Community Plan, and

15 WHEREAS four of the vacant land Parcels are located within Tacoma
16 Water's service area, and two are located in unclaimed territory according to the
17 Pierce County Coordinated Water System Plan, and

18 WHEREAS the development timeline for Hidden Hollow indicates that
19 water will be needed onsite at the six vacant parcels in early 2026, and

20 WHEREAS even though the direct distance between the Tacoma
21 Water's water main nearest to the Hidden Hollow development is only 2,400
22 feet, because Tacoma Water's water main sits approximately 60 feet below the
23 planned elevation for the Hidden Hollow development, a direct path may not be
24 an achievable solution, and
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1 WHEREAS in the event a direct path to the Hidden Hollow development
2 is not technically advisable, a looped path would require the developer to
3 extend nearly 11,000 feet of additional water main, and
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5 WHEREAS Tacoma Water has on separate tracks worked closely with
6 several other developers in the Sunrise area of the South Hill Community Plan
7 to plan for the grading and water main extensions that would offset a portion of
8 the 11,000 feet of additional water main required by the Hidden Hollow
9 development, the timeline for those grading and extensions is five to ten years
10 and not consistent with the Hidden Hollow development project timeline, and
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12 WHEREAS Tacoma Water's neighboring water utility Washington Water
13 does have facilities that are much closer to the Hidden Hollow development,
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16 WHEREAS in order for Washington Water to serve the Hidden Hollow
17 development, Washington Water must obtain permission from the Washington
18 Utilities and Transportation Commission ("WUTC") by requesting and
19 demonstrating that it has capacity and ability to serve the area, and
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21 WHEREAS in consideration of these unique circumstances, Tacoma
22 Water requests the Public Utility Board approve the adjustment of its service
23 area to release Pierce County parcel numbers 0418022029, 0418022030,
24 0418022031, and 041802203 from the Tacoma Water service area, and
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26 WHEREAS Tacoma Water further requests authority to execute
necessary and convenient agreements that are consistent with the purpose of



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this resolution in order to facilitate the revision of its service area and the
relinquishment of the four parcels, Now, therefore,

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

Section 1. That the Public Utility Board of the City of Tacoma hereby
authorizes Tacoma Water to adjust its service area, including the permanent
relinquishment of the following Pierce County parcel numbers: 0418022029,
0418022030, 0418022031, and 041802203, in order to allow the Hidden Hollow
development to be served by Washington Water.

Section 2. That the Public Utility Board further authorizes the Director
Tacoma Public Utilities and the Superintendent of Tacoma Water to execute
any necessary or convenient agreements to implement the service area
adjustment and relinquishment of Pierce County parcel numbers 0418022029,
0418022030, 0418022031, and 041802203, provided that all such agreements
must be approved by the City Attorney's Office.

Approved as to form:

	Chair
/s/	_____
Chief Deputy City Attorney	Secretary
_____	Adopted _____
Clerk	



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Executive Assistant, Director of Board Offices
 Heather Pennington, Utilities Asst Superintendent, Tacoma Water
FROM: Scott Dewhirst, Utilities Dir Dep Water Superintendent, Tacoma Water
 Ryan Cox, Asst Division Mgr of Water Utilities, Tacoma Water
MEETING DATE: February 14, 2024
DATE: February 2, 2024

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

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

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

SUMMARY: The land developer of the proposed residential plat named Hidden Hollow has requested of Tacoma Water a certificate of water availability and commitment to serve water. There are 6 vacant land parcels included in the project scope to create ~ 85 single family homes. Each parcel is 5 acres. 4 of the parcels (0418022029, 0418022030, 0418022031, 0418022032) are within Tacoma Water service territory and 2 of the parcels (0418021026, 0418021025) are unclaimed according to the Pierce County Coordinated Water System Plan. The distance between the nearest Tacoma Water water main and the closest parcel (0418022029) is 2,400 ft as the crow flies. The development timeline for the Hidden Hollow plat is to begin building homes in early 2026 and will need water to each lot at this phase. Tacoma Water has worked closely with the separate developers of the Sunrise area of the South Hill Community Plan on Private Contract water main extensions for their phased residential plats. The Sunrise developers are grading the land between the Tacoma Water water main and the nearest parcel of the Hidden Hollow project. The timeframe for the Sunrise developers to complete grading and extend water mains adjacent to the Hidden Hollow project is uncertain, with rough estimates that are very likely 5-10 years out or beyond. In order to meet the timely and reasonable criteria for the water availability request, Tacoma Water recommends permanently releasing the 4 parcels (0418022029, 0418022030, 0418022031, 0418022032) from our service territory. The adjacent water purveyor, Washington Water, is willing and able to serve the Hidden Hollow project within the timely and reasonable criteria from their water main in 200th St E.

BACKGROUND: The 6 parcels are included in the Graham Community Plan; located within Unincorporated Pierce County; designated within the Unincorporated Urban Growth Area (CUGA); and zoned as single family with a max of up to 4 units per acre. Tacoma Water is willing and able to serve, however we cannot meet the timely and reasonable criteria of the Pierce County Coordinated Water System Plan. Tacoma Water considered several factors leading up to this recommendation to release the parcels, including the infrastructure and timing.

There are two challenges to serve this the Hidden Hollow projects from the infrastructure perspective. First, there will be a grade difference between the Sunrise developments and the Hidden Hollow development



Board Action Memorandum

estimated to be up to 60 ft, with Hidden Hollow located above Sunrise. Considering this grade difference, there may not be an ideal path to construct a water main within our slope standards. If there is no direct path between Sunrise and Hidden Hollow parcels for the water main(s), the path would be much further and require a loop around the Sunrise & Daybreak arterials and 200th St E. Some of this distance is outside Tacoma Water service area and is nearly 11,000ft. Secondly, we may need more infrastructure in the 706 zone to adequately meet the domestic and fire flow for Hidden Hollow. More analysis would be required.

As for the timeline perspective, Tacoma Water considered the option to purchase water from Washington Water and serve the Hidden Hollow homes until we can make connection to the Tacoma Water water main extensions in the Sunrise area. There are two reasons this option is not feasible. First, Washington Water is an investor-owned utility that is regulated by the Washington Utilities and Transportation Commission (UTC). Washington Water does not have a wheeling water rate or a wholesale rate, so Tacoma Water would need to purchase water at their retail rate based on the size of the water meter. The challenges are that (A) there is no mechanism to pass this retail rate onto the Hidden Hollow customers and (B) this cost of service can not impact the existing Tacoma Water customers. Secondly, we do not have a good certainty on how long this interim water service from Washington Water would be in place, so we are not able to calculate the cost recovery point.

In these type of new service situations, we use the Utility Service Review Procedure, Figure 5-1, from the Pierce County Coordinated Water System Plan to determine the plan for a nearby Public Water System to serve the requested development. Washington Water must obtain the UTC approval to adjust their service area and commit to serve the Hidden Hollow development, therefore Tacoma Water is requesting the PUB approval to adjust the service area and release these 4 parcels from the Tacoma Water service area. From the Pierce County Coordinated Water System Plan, we will follow the Service Change Area Procedure. In cases where a water purveyor is transferring a small portion of its service area to another purveyor and the purveyor receiving said area has already demonstrated in its Water System Plan (WSP) or Small Water System Management Program (SWSMP) that it has the capacity and ability to serve the area, then the purveyors are only required to amend their service area mapping and communicate the changes to Pierce County Public Works (PPW). The service area changes will then be documented in the County's GIS. The purveyors and PPW also sign new service area agreements that are kept on file at PPW. No WSP or SWSMP amendment or update is required solely to implement these types of minor service area changes, though they would ultimately be documented in subsequent WSP or SWSMP updates.



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ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

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

There will be administrative recording and processing costs by Pierce County Public Works to complete the service area boundary adjustment. These will be covered by the developer.

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

ATTACHMENTS: Water Service Area Adjustment PowerPoint with maps and references.

CONTACT:

Primary Contact: Ryan Cox, Asst Division Mgr of Water Utilities, Tacoma Water (253)396-3323.

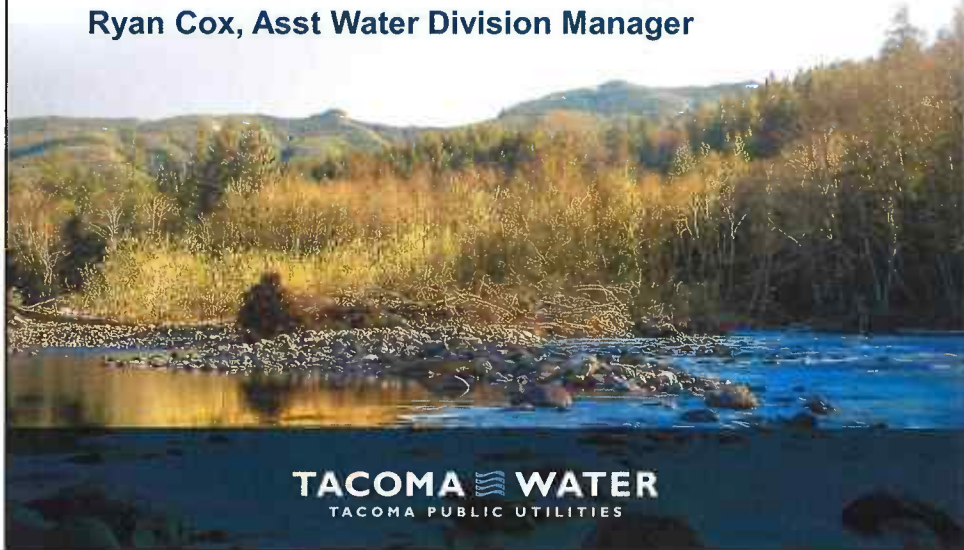
Supervisor's Name: Heather Pennington, Utilities Asst Superintendent, Tacoma Water

Presenter (if different from primary contact):

Additional staff requiring a Zoom presentation link:

Water Service Area Adjustment

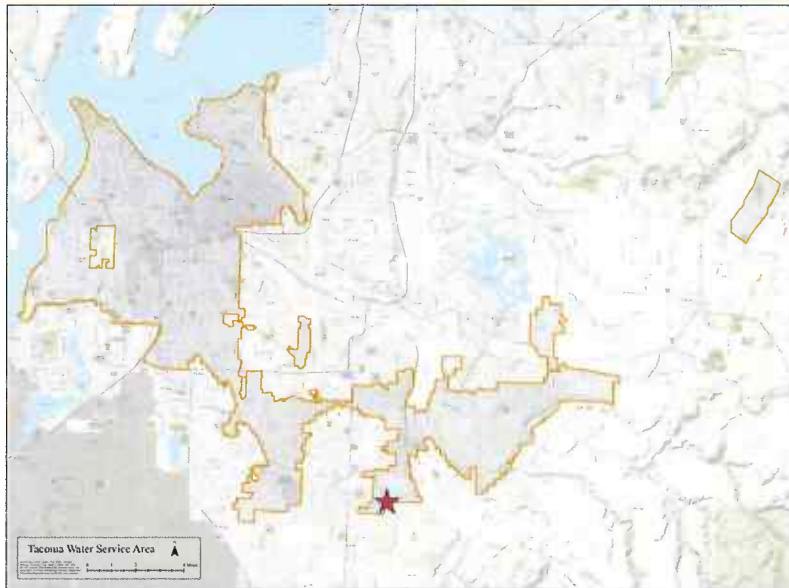
Ryan Cox, Asst Water Division Manager



TACOMA WATER
TACOMA PUBLIC UTILITIES

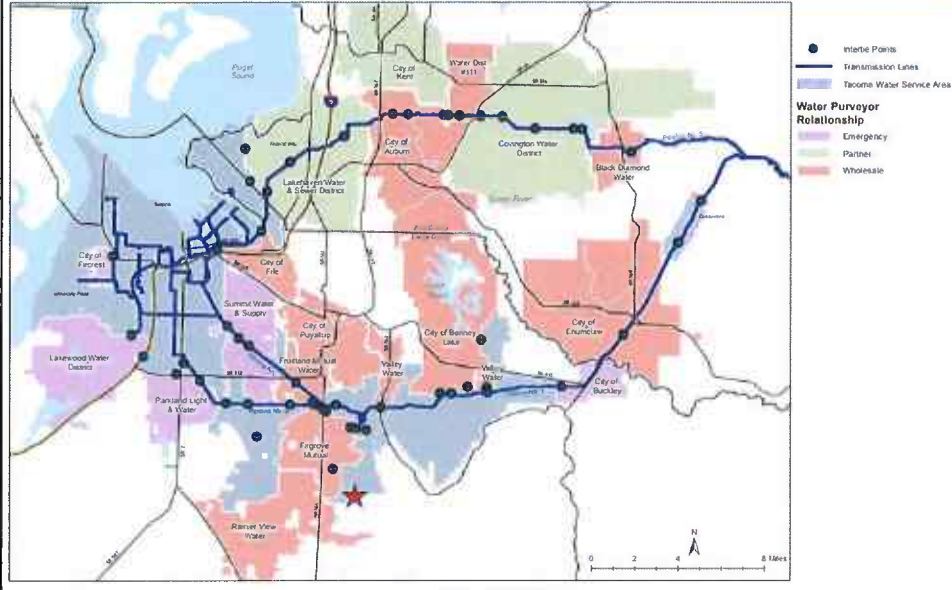
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Water System Plan, Appendix M Water Service Area Map



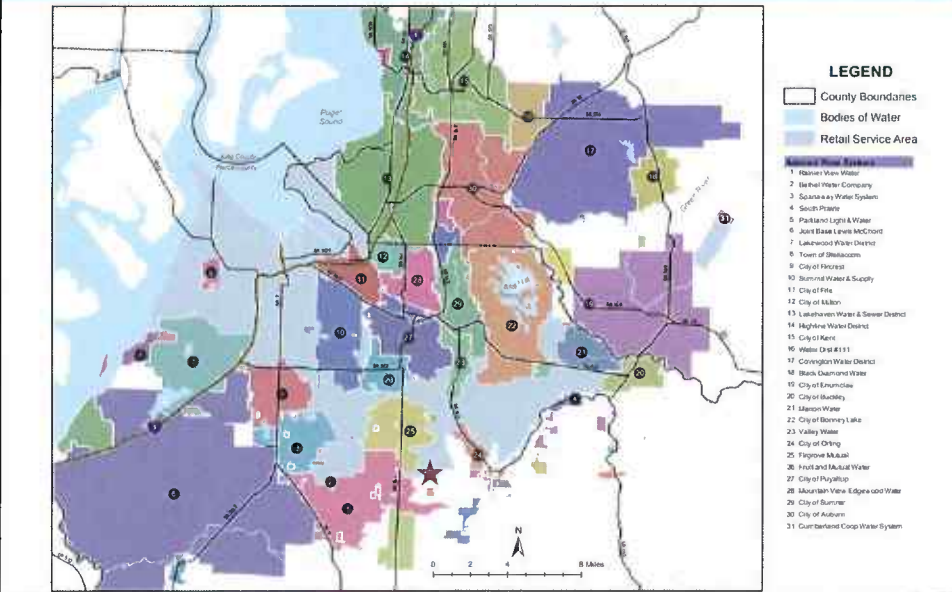
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Water System Plan, Figure 2-2 Tacoma Water Service Area

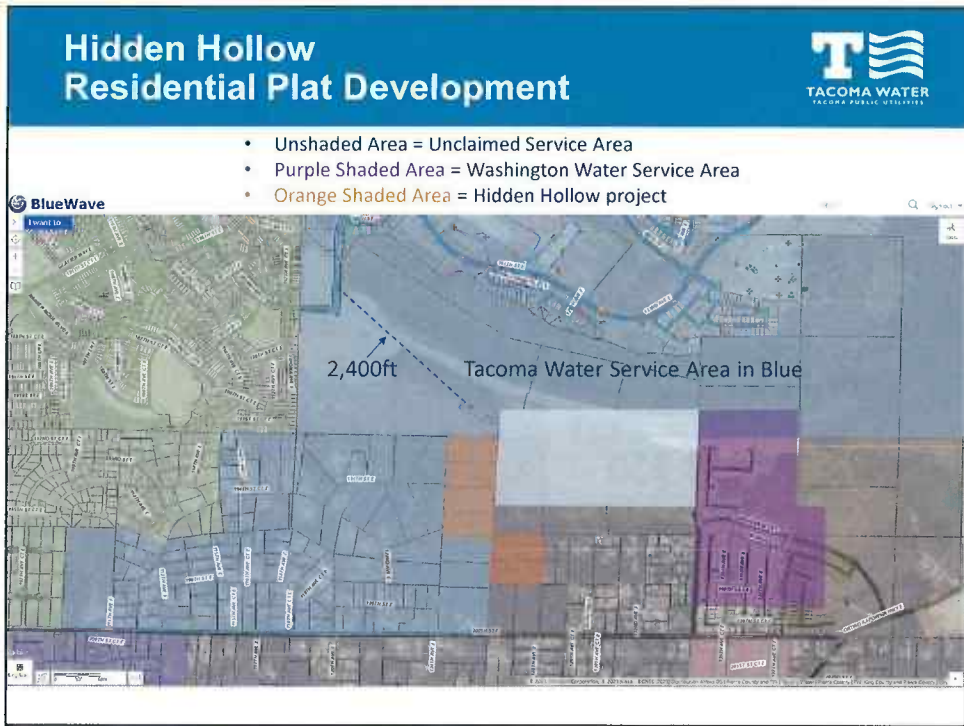


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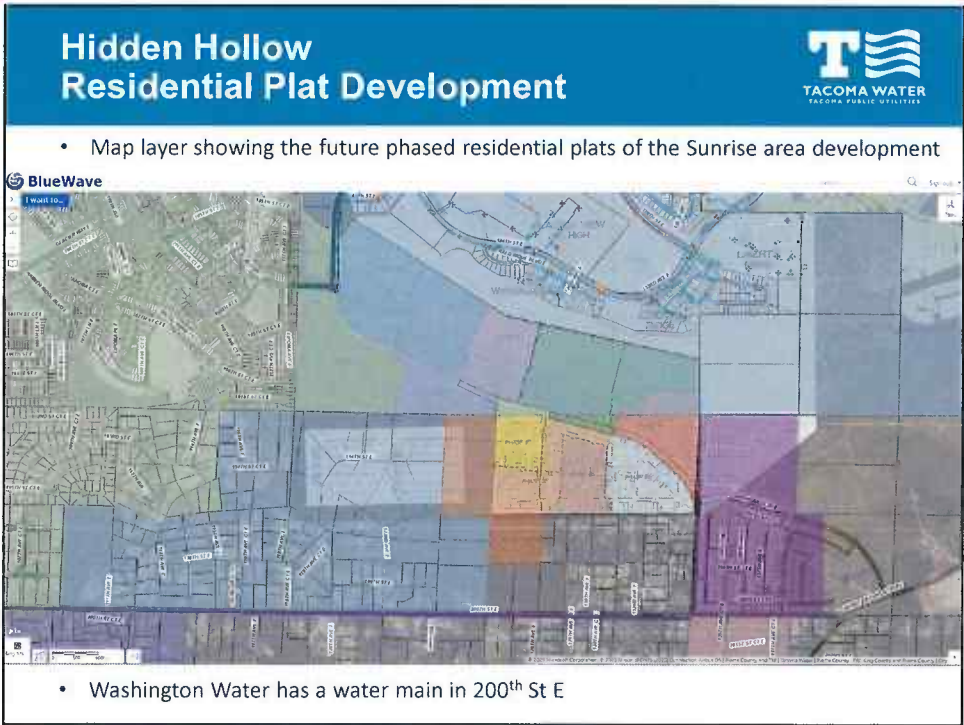
Water System Plan, Figure 2-3 Adjacent Water Systems



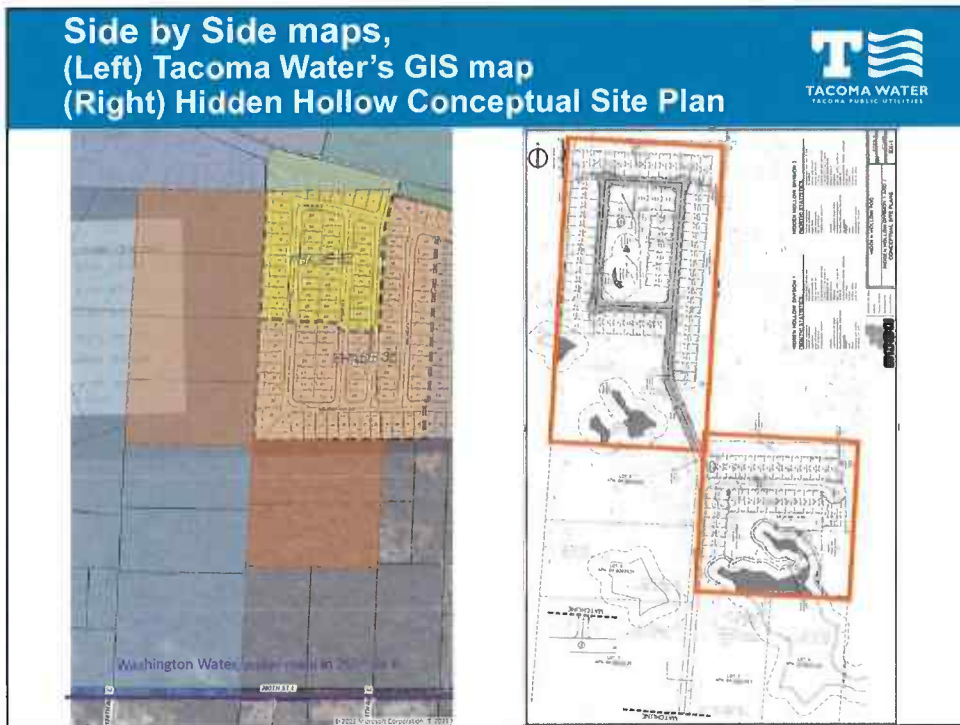
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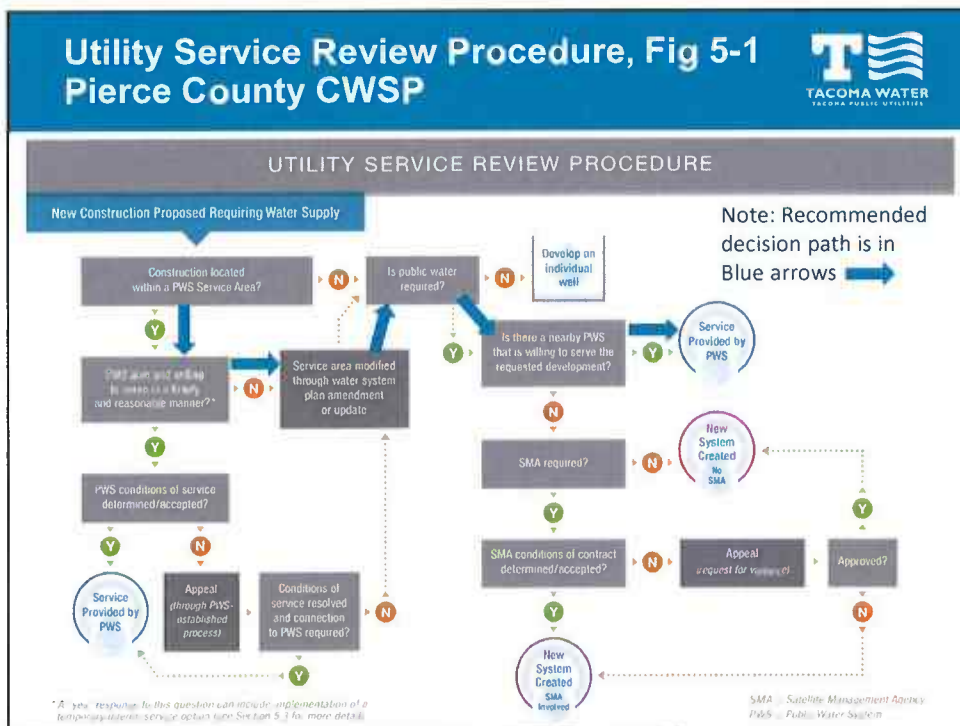
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Water Service Area Adjustment



References:

- Washington State Municipal Water Law
 - Duty to provide service requirement
- Pierce County Coordinated Water System Plan
 - Timely Service and Reasonable Service
 - Service Area Management and Change Procedure
- Tacoma Water, Water System Plan
 - Service Area
- Water Regulations, Chapter 3, 6.C.13., Tacoma-Pierce County Health Department Environmental Health Code