



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

May 12, 2017

To the Honorable Mayor and Members of the City Council
To the Chairman and the Members of the Public Utility Board

Tacoma Water is requesting Public Utility Board and City Council authorization to execute a water system acquisition agreement with the Curran Road Mutual Water Association. The water system acquisition agreement establishes the terms and conditions under which Tacoma Water will acquire the Curran Road Mutual Water Association service area and provide direct retail water service to its members.

The Curran Road Mutual Water Association (Curran Road) provides services to more than 620 customers, in the vicinity of 128th Street East and Canyon Road East in Pierce County. Since the 1940's, Curran Road has received all of its water from Tacoma Water through a wholesale connection.

As a requirement of the Washington State Department of Health, Curran Road is due to develop a new water system plan and make necessary system improvements. In-lieu of developing a water system plan and securing financing to make burdensome system improvements, Curran Road has requested Tacoma Water acquire the Curran Road service area and provide direct retail service to its members.

Over a period of 10-years, Tacoma Water proposes to replace more than 6-miles of asbestos cement water main and complete other system improvements. The estimated cost of this water system improvement work is \$12,000,000, which will be paid for by those customers within the boundaries of the Curran Road water system through a customer surcharge over an estimated 33-year period, in accordance with the City Council's Service Expansion Policy.

Tacoma Water has budgeted \$1,000,000 for the Curran Road water system improvement work to be completed during the 17/18 biennium, with the balance of the water system improvement costs planned for in Tacoma Water's 10-year Capital Improvement Plan.

Sincerely,

William A. Gaines
Director of Utilities/CEO

