



REQUEST FOR ORDINANCE RESOLUTION

Request #:

Ord./Res. #:

1. DATE: July 11, 2013

2. SPONSORED BY: COUNCIL MEMBER(S) N/A

3a. REQUESTING DEPARTMENT/DIVISION/PROGRAM [Department] 3b. "RECOMMENDED FOR ADOPTION" FROM [Committee Name] <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> To Committee as information only <input type="checkbox"/> Did not go before a Committee 3c. DID THIS ITEM GO BEFORE THE PUBLIC UTILITY BOARD? <input type="checkbox"/> Yes, on [Date] <input type="checkbox"/> Not required	4a. CONTACT (for questions): Ryan Flynn PHONE: 253-396-3111	
	4b. PERSON PRESENTING: Ryan Flynn PHONE: 253-396-3111	
	4c. ATTORNEY: Bill Fosbre PHONE: 253-502-8218	
 Department Director/Utility Division	Budget Officer/Finance Director	 City Manager/Director Utilities

5. REQUESTED COUNCIL DATE: August 6, 2013

6. SUMMARY AGENDA TITLE: (A concise sentence, as it will appear on the Council agenda.)

Approve expansion of the Tacoma Water service area and authorize an agreement to extend water main to serve residents served by the Fennel Heights Maintenance Water System.

7. BACKGROUND INFORMATION/GENERAL DISCUSSION: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

The Fennel Heights Maintenance Water System (Fennel Heights) serves 15 residences, in a 14.7 acre service area surrounded by the Tacoma Water service area in unincorporated Pierce County east of the City of Bonney Lake. Fennel Heights presently operates a community well that is out of compliance due to arsenic levels that exceed the maximum contaminant level (MCL) established by the Safe Drinking Water Act. Fennel Heights is currently under a Bilateral Compliance Agreement with the Washington State Department of Health and has until December 2014 to achieve compliance.

To achieve compliance with the Bilateral Compliance Agreement, Fennel Heights has requested an extension of service from Tacoma Water. Prior to the extending the Tacoma Water system to serve Fennel Heights, the expansion of the Tacoma Water service area must be approved by the Public Utility Board and the City Council in accordance with the Service Expansion Policy.

The extension of distribution system will be funded by a \$300,000 2012 Jobs Now Grant from the Washington State Department of Health. The extension of service will not adversely affect the cost or level of service provided to current customers. Project costs in excess of the grant amount will be borne by the 15 residences through a customer surcharge.

REQUEST (CONT)

CITY CLERK USE ONLY

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8. LIST ALL MATERIAL AVAILABLE AS BACKUP INFORMATION FOR THE REQUEST AND INDICATE WHERE FILED:

Source Documents/Backup Material	Location of Document
Letter from William A. Gaines to Board and Council	City Clerk's Office
Fennel Heights Vicinity Map	City Clerk's Office
Water System Acquisition Agreement	City Clerk's Office

9. WHICH OF THE CITY'S STRATEGIC GOALS DOES THIS ITEM SUPPORT? (CHECK THE GOAL THAT BEST APPLIES)

- A. A SAFE, CLEAN AND ATTRACTIVE COMMUNITY
- B. A DIVERSE, PRODUCTIVE AND SUSTAINABLE ECONOMY
- C. A HIGH-PERFORMING, OPEN AND ENGAGED GOVERNMENT

10. IF THIS CONTRACT IS FOR AN AMOUNT OF \$200,000 OR LESS, EXPLAIN WHY IT NEEDS LEGISLATIVE APPROVAL:

11. FINANCIAL IMPACT: EXPENDITURE REVENUE

- A. NO IMPACT (NO FISCAL NOTE)
- B. YES, OVER \$100,000, Fiscal Note Attached
- C. YES, UNDER \$100,000, (NO FISCAL NOTE)
Provide funding source information below:

FUNDING SOURCE: (Enter amount of funding from each source)

Fund Number & Name:	State \$	City \$	Other \$	Total Amount
	\$300,000.00			\$300,000.00

If an expenditure, is it budgeted? Yes No Where? Cost Center: 582101
Acct #: 6371300

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FISCAL NOTE

Each piece of legislation that has a financial impact or creates positions authority requires a fiscal note. After preparation by departmental staff, the Management and Budget Office will review the fiscal note and make any necessary revisions before transmittal to the City Attorney's Office for legislation preparation.

DEPARTMENT:

CONTACT PERSON/PHONE:

BUDGET CONSULTANT/PHONE:

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Is it currently budgeted? Yes NoIs this a grant? Yes No If Yes, Operating Capital

EXPENDITURES:

FUND NAME & NUMBER *	COST CENTER	WBS	ACCOUNT	2013-2014 EXPENDITURES
Tacoma Water - 4600	582101		6371300	\$300,000
TOTAL				\$300,000

* General Fund: Include Department

Purpose: Extension of distribution system to serve Fennel Heights

REVENUES:

FUND NAME & NUMBER	COST CENTER	WBS	ACCOUNT	2013-2014 REVENUES
				\$300,000
TOTAL				\$300,000

Notes: Grant funding provided by a 2012 Jobs Now Act Grant Washington State Department of Health

POSITION IMPACT:

POSITION TITLE	PERMANENT/PROJECT/ TEMPORARY POSITION	POSITION END DATE	2013-2014 FTE	FUTURE FTE

Total positions created or abrogated through this legislation, including FTE impact. FTE impact for temporary employees is estimated.

LONG-TERM FINANCIAL IMPACT OF LEGISLATION:

SPENDING PLAN & BUDGET	2013	2014	2015	2016	2017	TOTAL
Salaries/Benefits						
Start-up						
On-going						
Maintenance & Operations						
Capital	\$300,000					\$300,000
TOTAL	\$300,000					\$300,000

FISCAL NOTE (CONT)

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FUNDING SOURCE	2013	2014	2015	2016	2017	TOTAL
2012 Jobs Now Act Grant	\$300,000					\$300,000
TOTAL	\$300,000					\$300,000

The financial cost of not implementing the legislation:

Without approval of the expansion of the Tacoma Water service area, Fennel Heights would not be able to receive service from Tacoma Water. Remaining grant funds from the Washington State Department of Health specifically dedicated for a main extension to serve Fennel Heights would no longer be available. Fennel Heights would need to identify an alternative source of water, funded entirely by the residents.

Estimate the cost to the City if the legislation is not implemented, including the potential conflicts with regulatory requirements, cost avoidance, or other potential costs.

OTHER ISSUES: