



RESOLUTION NO. U-10929

1 A RESOLUTION related to Tacoma Water; authorizing the execution of a water
2 system acquisition agreement with the Curran Road Mutual Water
3 Association ("Curran Road").

4 WHEREAS the City of Tacoma, Department of Public Utilities, Water
5 Division (d.b.a. "Tacoma Water"), requests the Public Utility Board authorize
6 Tacoma Water to execute a water system acquisition agreement ("Agreement")
7 with Curran Road to establish the terms and conditions under which Tacoma
8 Water will acquire Curran Road's service area and provide direct retail water
9 service, and

10 WHEREAS the Agreement will allow Tacoma Water to complete water
11 system improvements as part of the acquisition of the service area, which are
12 proposed to be completed over a 10-year period, and

13 WHEREAS the estimated cost of the water system improvement work is
14 \$12,000,000, which will be paid for by those customers within the boundaries of
15 the Curran Road water system through a customer surcharge over an
16 estimated 33-year period, and

17 WHEREAS the laws of the state of Washington, RCW 35.92.200,
18 authorize a city to provide water service outside its corporate limits, and

19 WHEREAS this proposed expansion satisfies the criteria set forth in the
20 service expansion policy approved by the Board and City Council, and

21 WHEREAS, pursuant to City of Tacoma Charter Section 4.11, the Public
22 Utility Board may initiate system expansion, extensions, additions and
23 betterments subject to the approval of the City Council, and
24
25
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

WHEREAS it appears to be in the best interest of the customers of Tacoma Water and citizens of the City of Tacoma to approve the expansion of Tacoma Water's service area as described above and authorize Tacoma Water to enter into an agreement with Curran Road; Now, therefore,

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

That Tacoma Water's request to enter into a water system acquisition agreement with Curran Road Mutual Water Association to establish the terms and conditions under which Tacoma Water will acquire Curran Road's service area and provide direct retail water service to its members is approved; and the City Council is requested to concur in such approval and authorize the proper officers of the City of Tacoma to execute the necessary documents in final form as approved by the City Attorney, in order to serve said area.

Approved as to form and legality:

Paul Patterson
Chair

William [Signature]
Chief Deputy City Attorney

Wendell Jones
Secretary

Charles [Signature]
Clerk

Adopted 5-10-77

of May 10, 2017

REQUEST FOR RESOLUTION

Date: April 21, 2017

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)

Authorize execution of a Water System Acquisition Agreement between the Curran Road Mutual Water Association.

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

Tacoma Water recommends the Public Utility Board authorize the execution of the Water System Acquisition Agreement between the Curran Road Mutual Water Association and Tacoma Water. The 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 in accordance with the City Council's Service Expansion Policy.

Authorization of the Agreement will allow Tacoma Water to complete water system improvements as part of acquisition of the service area. The water system improvements are proposed to be completed over a period of 10-years. The estimated cost of the 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.

3. Summarized reason for resolution:

The Curran Road Mutual Water Association serves more than 620 customers, in the vicinity of 128th Street East and Canyon Road East in Pierce County. Curran Road is a Tacoma Water wholesale customer and has received all of its water from Tacoma Water since the 1940's.

As a requirement of the Washington State Department of Health, Curran Road is due to develop a new water system plan. In-lieu of developing a water system plan and securing financing to make 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.

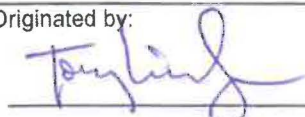
4. Attachments:

a. Water System Acquisition Agreement

5. Funds available Proposed action has no budgetary impact

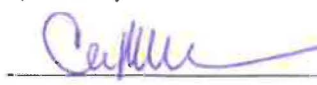
6. Deviations requiring special waivers: None

Originated by:



Section Head

Requested by:



Division Head

Approved:



Director of Utilities



DATE: April 21, 2017

TO: William A. Gaines, Director of Utilities/CEO

FROM: Chris McMeen, Acting Water Superintendent *CM*

SUBJECT: Water System Acquisition Agreement – Curran Road Mutual Water Association

RECOMMENDATION

Authorize the execution of 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.

EXPLANATION

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. Curran Road is a Tacoma Water wholesale customer and has received all of its water from Tacoma Water since the 1940's.

As a requirement of the Washington State Department of Health, Curran Road is due to develop a new water system plan. In-lieu of developing a water system plan and securing financing to make 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.

APPROVED

William A. Gaines
Director of Utilities/CEO