



## Board Action Memorandum

**TO:** Jackie Flowers, Director of Utilities  
**COPY:** Charleen Jacobs, Director and Board Offices  
**FROM:** Scott Dewhirst, Tacoma Water Superintendent  
Jodi Collins, Tacoma Water Assistant Division Manager  
**MEETING DATE:** May 11, 2022  
**DATE:** April 28, 2022

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### **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 checked="" type="checkbox"/> SD1 – Equity & Inclusion       | <input type="checkbox"/> SD8 – Telecom                            |
| <input checked="" type="checkbox"/> SD2 – Financial Sustainability | <input type="checkbox"/> SD9 – Economic Development               |
| <input checked="" 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 Water is requesting approval of proposed updates to the Water Rate and Financial Policy to highlight long-term financial planning, gradualism, equity, affordability and climate change as areas of focus.

### **BACKGROUND:**

The Water Rate and Financial Policy gives direction to planning decisions and helps ensure that Tacoma Water provides an adequate supply of safe, clean water to all customers efficiently, reliably, and at the lowest possible cost consistent with prudent utility management. This policy was last updated in November 2018.

Financial Stewardship staff conducts regular quantitative and qualitative reviews of the Water Rate and Financial Policy to ensure that the policy is sound and is reflective of management and Public Utility Board directives and priorities. During this review, staff found that although the current policy is valid, there is opportunity to modernize existing language and highlight important areas of focus including long-term financial planning, gradualism, equity, affordability and climate change.

We are asking for the Board's support to add and update language to the Water Rate and Financial Policy the policy in support of the areas of focus listed above.



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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 are no direct impacts to expenditures and revenues related to this request

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

**ATTACHMENTS:** List any attachments (contracts, policies, agreements, etc.).

Red-lined version of the Water Rate and Financial Policy, proposed version of the Water Rate and Financial Policy with updates

**CONTACT:**

Primary Contact: Jodi Collins, Tacoma Water Assistant Division Manager

Supervisor's Name: Sean Senescall, Tacoma Water Division Manager

Presenter (if different from primary contact):

Additional staff requiring a Zoom presentation link: