



RESOLUTION NO. 40160

1 A RESOLUTION relating to the City's Department of Public Utilities, Water
2 Division, d.b.a. Tacoma Water; approving changes to the Water Rate and
3 Financial Policy.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Water
5 Division (d.b.a. "Tacoma Water"), has proposed changes to the Water Rate and
6 Financial Policy to provide better alignment between the respective rate and
7 financial policies of Tacoma Water and Tacoma Power, and

8 WHEREAS the Water Rate and Financial Policy gives direction to future
9 rate and financial planning decisions, and helps ensure that reliable service is
10 provided to all customers at the lowest possible cost consistent with prudent utility
11 management, and

12 WHEREAS Tacoma Water is recommending changes to the Water Rate and
13 Financial Policy, as follows: (1) *III.B.3. Policies. Water Rates Should Be As Low
14 As Is Possible*: proposing a reduction in All-In Debt Service coverage from 1.25x to
15 1.00x during periods of spending down cash reserves, to formalize its commitment
16 to monitoring debt service coverage and demonstrate that gross revenues will be
17 sufficient to cover expenses; and (2) *III.C.16. Policies. Water Rates Shall Be Fair*:
18 modernize existing language to address low-income, senior, and disabled programs
19 available through utility assistance programs, for customers who may benefit from
20 these programs, and

21 WHEREAS, pursuant to Tacoma City Charter Section 4.11, the proposed
22 revisions to Tacoma Water rates and regulations and the Water Rate and Financial
23 Policy require approval by the Public Utility Board and 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, on May 9, 2018, and August 8, 2018, the Public Utility Board conducted reviews of the recommended changes, and the Board approved the recommended changes at its regular meeting held on October 24, 2018, and

WHEREAS the recommended changes to the rates, regulations and policies are just, fair, and reasonable, and are in the best interest of the citizens of Tacoma and the customers of Tacoma Water; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the recommended changes to the Water Rate and Financial Policy proposed by the Department of Public Utilities, Water Division, d.b.a. Tacoma Water, are hereby approved, said document to be substantially in the form of the Policy on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to Form:

Chief Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-11038