



**TO:** T.C. Broadnax, City Manager  
**FROM:** Michael P. Slevin III, P.E., Director, Environmental Services  
Daniel C. Thompson, Ph.D., Division Manager, Business Operations *JP for MPS*  
**COPY:** City Council and City Clerk  
**SUBJECT:** Request for Ordinance Amending Chapter 12.08 of the Tacoma Municipal Code related to Wastewater and Surface Water Rates for the years 2015 and 2016 – December 2, 2014  
**DATE:** November 12, 2014

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**SUMMARY:**

An ordinance amending Chapter 12.08 of the Tacoma Municipal Code, relating to the Wastewater and Surface Water Utilities, to adjust rates and charges for services provided by the Wastewater and Surface Water Utilities for the years 2015 and 2016.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and maintain a strong fiscal management position.
- Strengthen and support public safety, human services, public education, and diverse higher learning opportunities in Tacoma.
- Foster neighborhood, community, and economic development vitality and sustainability.
- Encourage and promote an open, effective, results-oriented organization.

The proper operation and adequate funding of these utilities produce direct benefits in cleaner water discharges to Commencement Bay. The utilities provide infrastructure and services to manage wastewater and surface water for the protection of health, property, and quality of life for all residents, promote the growth and development of a vibrant economy, and help sustain a healthy environment.

**BACKGROUND:**

The Environmental Services Department, working with the Environmental Services Commission (ESC), has updated its multi-year rate plan and developed proposed general revenue increases for the 2015-2016 biennium for Wastewater and Surface Water customers. Consistent with the recommendation from the ESC, a six percent (6%) per year increase is proposed for Wastewater, and a five and a half percent (5.5%) per year increase is proposed for Surface Water. These rate increases are driven primarily by increased labor costs and increased investment in infrastructure.

The Low Income Elderly/Low Income Disabled discount has been maintained at 30 percent.

The Environmental Services Department delivered presentations to the Neighborhood Councils, the Government Performance and Finance Committee, and to the City Council at the October 14, 2014 study session.

**ISSUE:**

Adequate funding is necessary to provide important and reliable wastewater collection and treatment and storm water management in order to protect the health and safety of the residents, property, and environment.

**ALTERNATIVES:**

The alternative of not increasing revenue would be to reduce capital investments in the City's waste and storm collection and treatment systems which would result in more costly emergency construction



repairs, legal disputes and damage claims, permit violations, reduced operational and maintenance activities, and potential bond covenant violations and financial problems.

**RECOMMENDATION:**

The Environmental Services Department recommends amending Chapter 12.08 of the Tacoma Municipal Code, relating to the Wastewater and Surface Water Utilities, to adjust rates and charges for services provided by the Wastewater and Surface Water Utilities for the years 2015 and 2016.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Wastewater Rate revenue	523900		\$9,549,000
Surface Water Rate revenue	521900		\$4,303,000
<b>TOTAL</b>			<b>\$13,852,000</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:** No impact to the current biennial budget.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes