



TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

June 11, 2013

To the Honorable Mayor and Members of the City Council
To the Chairman and the Members of the Public Utility Board

Tacoma Water is requesting Public Utility Board and City Council approval of a service area expansion to serve the Fennel Heights Maintenance Water System (Fennel Heights), and authorization of an agreement with Fennel Heights to extend water main.

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 is presently served by 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.

Tacoma Water was selected by the Washington State Department of Health to receive a grant on behalf of Fennel Heights. The Washington State Department of Health is the funding source for this grant, which is made available through the 2012 Jobs Now Act by the Washington State Legislature. The grant will provide the funding necessary for Tacoma Water to extend service to Fennel Heights in accordance with the Service Expansion Policy.

Following construction of the water main the existing well will be decommissioned, and the 15 residences will become Tacoma Water customers thereby satisfying the Bilateral Compliance Agreement with the Washington State Department of Health.

Sincerely,

William A. Gaines
Director of Utilities/CEO





Date: August 14, 2013

To: Mayor Strickland and Members of the City Council
Chair Nelson and Members of the Public Utility Board

From: William A. Gaines, Director of Utilities/CEO *W. A. Gaines*

Subject: Expansion of Tacoma Water Service Area

SUMMARY:

Tacoma Water is requesting Public Utility Board and City Council approval of a service area expansion to serve the Fennel Heights Maintenance Water System (Fennel Heights), and authorization of an agreement with Fennel Heights to extend water main.

BACKGROUND:

The 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.

ISSUE:

In accordance with the Service Expansion Policy, expansions of the service area larger than ten acres require the approval of the Public Utility Board and City Council.

ALTERNATIVES:

This is an information briefing only. There are no alternatives presented.

FISCAL IMPACT:

This is an information briefing only. There is no fiscal impact.



RECOMMENDATION:

Tacoma Water recommends the Public Utility Board and City Council approve the service area expansion and authorize an agreement with Fennel Heights to extend water main.

Expansion of the Tacoma Water service area will not adversely affect the cost or level of service provided to current customers. The water main extension necessary to serve Fennel Heights will be paid for through a grant from the Washington State Department of Health. Project costs in excess of the grant amount will be borne by the 15 residences through a customer surcharge on their utility bill.

cc: T.C. Broadnax, City Manager
Elizabeth Pauli, City Attorney
Infrastructure, Sustainability and Planning Council Committee