



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

January 26, 2015

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

Tacoma Water is requesting Public Utility Board and City Council authorization to execute a water system acquisition agreement with the Andrain Road Water Association. The water system acquisition agreement establishes the terms and conditions under which Tacoma Water will acquire the Andrain Road Water Association service area and provide direct retail water service to its members.

The Andrain Road Water Association (Andrain) provides services to 59 residences, in the vicinity of 128th Street East and 70th Avenue East in Pierce County. Due to the condition and limited capacity of their distribution system, Andrain has not been allowing new service connections within its service area. As a result the Washington State Department of Health is requiring Andrain to develop a water system plan that would provide service for up to 150 connections. In-lieu of developing a water system plan and making system improvements, Andrain has requested Tacoma Water acquire the Andrain service area and provide direct retail water service to its members.

Tacoma Water proposes to replace the Andrain water system as part of acquisition of the service area. The cost of replacing the water system would be borne by the members of the Andrain water system through a customer surcharge over an estimated 30 year period, in accordance with the City Council's Service Expansion Policy.

In the Spring of 2015, Tacoma Water will request the Public Utility Board award of a construction contract for the replacement of Andrain water system. Following replacement of the water system and establishment of the total project cost, Tacoma Water will request Public Utility Board and City Council approval of an ordinance revision adding the Andrain customer surcharge to TMC 12.10.400.

Sincerely,

William A. Gaines *gm*
Director of Utilities/CEO

