



TO: Elizabeth Pauli, Interim City Manager
FROM: William Gaines, Director of Utilities, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Amend Section 12.10.400 of the Tacoma Municipal Code regarding temporary water service contracts; April 4, 2017
DATE: March 14, 2017

SUMMARY:

Tacoma Water requests approval by the City Council of an amendment to 12.10.400 of the Tacoma Municipal Code to remove a section related to temporary water service contracts.

STRATEGIC POLICY PRIORITY:

The section of the Tacoma Municipal Code in question has introduced a lack of clarity regarding the respective authorities of the Public Utility Board and City Council. Because it simply reinforces authorities that are provided explicitly by the Tacoma City Charter, it is to the benefit of the ratepayers and citizens of Tacoma to remove this section so that those authorities are clear.

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND and ISSUE:

Recent public dialogue about the Tacoma Municipal Code has resulted in a misunderstanding of the authorities provided to the Public Utility Board by a section of the Tacoma Municipal Code which states:

“The Superintendent, with the approval of the Board, shall have the right to enter into contracts for periods up to 20 years where service conditions are extraordinary; provided that such contracts shall contain applicable rates as adopted by the Board and Council.”

This code section seems to have originally been intended to reinforce and clarify the authorities contained by section 4.10 of the City Charter, which states “[t]he Public Utility Board, subject only to the limitations imposed by this charter and the laws of this state, shall have full power to construct, condemn and purchase, acquire, add to, maintain, and operate the electric, water, and belt line railway systems.” This authority is further clarified in section 4.11 of the Charter, which states that “[a]ll matters relating to system expansion and the making of additions and betterments thereto or extensions thereof, the incurring of indebtedness, the issuance of bonds, and the fixing of rates and charges for utility services under the jurisdiction of the Board shall be initiated by the Board, subject to approval by the Council.” The authority of the Board to enter into contracts is broadly implied by section 4.10, subject only to the exclusions identified in 4.11, and the existing section of the TMC identified by this resolution does not modify that authority in any way. Because this superfluous code section has created a lack of clarity about these authorities, it is in the best interests of the ratepayers and citizens of Tacoma to remove it.

ALTERNATIVES:

The alternative would simply be to leave this code section intact. Any contracts that depart from provisions identified in the TMC regarding “system expansion and the making of additions and betterments thereto or extensions thereof, the incurring of indebtedness, the issuance of bonds, and the fixing of rates and charges for utility services” will be initiated by the Board, subject to approval by the Council, irrespective of whether this code section is removed or left intact.



RECOMMENDATION:

Tacoma Water staff recommends that the City Council remove this section of the Tacoma Municipal Code.

FISCAL IMPACT:

None.

REVENUES:

None.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:

None.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?

N/A