



TO: Elizabeth A. Pauli, City Manager
FROM: Michael P. Slevin III, P.E., Director, Environmental Services *GME MPS*
COPY: City Council and City Clerk
SUBJECT: Resolution - Wastewater Treatment and Disposal Agreement with the City of Ruston - February 16, 2021
DATE: January 22, 2021

SUMMARY AND PURPOSE:

A resolution authorizing the execution of an agreement with the City of Ruston to provide wastewater treatment and disposal services for an initial term of 20 years, with three 10-year automatic extensions.

BACKGROUND:

In 1966, the Cities of Ruston and Tacoma entered into an agreement to allow Tacoma to construct a wastewater interceptor line through Ruston and to provide Ruston with wastewater treatment and disposal services. In 1978, Tacoma and Ruston entered into an agreement to allow Tacoma to construct a sewer extension through Ruston to serve properties in Tacoma and Ruston. In 1979, Tacoma and Ruston entered into a new wastewater treatment and disposal agreement superseding the 1966 agreement. The 1979 agreement has expired and a new agreement is proposed to replace and supersede all prior agreements. Rates for wastewater treatment and disposal services provided to Ruston will be established by City ordinance. The new agreement will have an initial term of 20 years and will renew automatically for three additional 10-year terms unless either party gives notice of termination five years before the end of the term.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

This Agreement will provide for continuation of wastewater treatment and disposal services for businesses and residents located in the City of Ruston and ensure continued use and operation of the portion of the City of Tacoma interceptor line located in Ruston and the Ruston sewer extension located entirely in Ruston, both of which serve and will continue to serve customers in Tacoma. This agreement will affect the Ruston City Government. This agreement will lay out the responsibilities incurred by Ruston. The City has been involved in extensive negotiations with Ruston over several months in crafting this agreement.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

This agreement will maintain the sewer customer base disbursing the cost burden of capital facilities over a large number of customers keeping rates lower for all of our customers. This is especially important for our disadvantaged citizens.

Economy/Workforce: *Equity Index Score: Moderate Opportunity*

Increase the number of infrastructure projects and improvements that support existing and new business developments.

Explain how your legislation will affect the selected indicator(s).

This agreement will provide a reliable instrument through which Tacoma and Ruston can provide sewer service to businesses in Ruston and in portions of North Tacoma.



ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Reject the proposed agreement		Tacoma and Ruston will operate without an agreement in place or under a defacto agreement based upon the terms of the 1979 agreement
2. Terminate services		Ruston would have no alternative source for disposal of wastewater.

EVALUATION AND FOLLOW UP:

The agreement provides for joint planning to ensure that Ruston identifies its future wastewater capacity needs, allows for reduction in Ruston’s un-used capacity rights in the event that Tacoma requires additional capacity, and requires period review to ensure compliance with changes in law, regulations or circumstances.

STAFF/SPONSOR RECOMMENDATION:

The Environmental Services Department recommends a resolution authorizing the execution of an agreement with the City of Ruston to continue to provide wastewater treatment and disposal services for an initial term of 20 years, with three 10-year automatic extensions.

FISCAL IMPACT:

This agreement results in approximately \$14,000 of revenue to the City every quarter.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1.ES Wastewater Fund 4300	523900	4343253	\$1,680,000
TOTAL			\$1,680,000

What Funding is being used to support the expense?

No additional expense, revenue only.

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES. The City could potentially lose the revenue currently being collected from Ruston. This amounts to approximately \$14,000 per quarter.

Will the legislation change the City’s FTE/personnel counts?

NO



City of Tacoma

City Council Action Memorandum

ATTACHMENTS:

- Wastewater Treatment and Disposal Agreement