



RESOLUTION NO. U-11038

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2 A RESOLUTION relating to amending and revising the Tacoma Water Rate &
3 Financial Policy.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Water
5 Division (d.b.a. "Tacoma Water"), has proposed changes to the Water Rate &
6 Financial Policy to provide better alignment between the respective rate and
7 financial policies of Tacoma Power and Tacoma Water; and

8 WHEREAS Tacoma Water's Water Rate & Financial Policy gives
9 direction to future rate and financial planning decisions and helps ensure that
10 reliable service is provided to all customers at the lowest possible cost
11 consistent with prudent utility management, and

12
13 WHEREAS Tacoma Water is recommending changes to its Water Rate &
14 Financial Policy such that the following sections will now state:

15 III.B.3. Policies. Water Rates Should Be As Low As Is Possible.

16 Senior Debt Service Coverage will be maintained above 1.50, exceeding
17 Tacoma Water's bond covenant requirement of net revenue at least 1.25 times
18 annual senior debt service. All-In-Debt Service Coverage will be maintained
19 above 1.25 except when cash reserves are budgeted to meet the annual
20 revenue requirement, when it will be maintained above 1.00.

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22 III.C.16. Policies. Water Rates Shall Be Fair.

23 The needs of low-income, senior, and disabled water customers will be
24 considered when establishing rate levels, providing bill assistance, and offering
25 financial education.
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WHEREAS revisions to Tacoma Water's Water Rate & Financial Policy requires approval by the Public Utility Board and Tacoma City Council, pursuant to Tacoma City Charter section 4.11, and

WHEREAS the recommended changes to the Water Rate & Financial Policy are just, fair and reasonable, and are in the best interest of the citizens of Tacoma and the customers of Tacoma Water, and Tacoma Water requests that the Board approve said revisions and amendments; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Sec. 1. The proposed revisions to Tacoma Water's Water Rate & Financial Policy are hereby approved, and the Council and the City of Tacoma is requested to approve such revisions as set forth in the attached Exhibit "A" and as substantially in the form as on file with the Clerk of the Board, and in final form to be approved by the City Attorney.

Approved as to form and legality:

Chair

[Signature]
Chief Deputy City Attorney

Secretary

Clerk

Adopted _____