



TO: Elizabeth Pauli, City Manager
FROM: Scott Dewhirst, Tacoma Water Superintendent
Jackie Flowers, Director of Tacoma Public Utilities
COPY: Tacoma City Council and City Clerk
SUBJECT: Tacoma Water Rate and Financial Policy Update
DATE: November 15, 2022

SUMMARY AND PURPOSE:

Tacoma Water is requesting approval of proposed updates to the Water Rate and Financial Policy to highlight long-term financial planning, gradualism, equity, affordability and climate change as areas of focus.

BACKGROUND:

This Department's Recommendation is Based On:

The Water Rate and Financial Policy gives direction to planning decisions and helps ensure that Tacoma Water provides an adequate supply of safe, clean water to all customers efficiently, reliably, and at the lowest possible cost consistent with prudent utility management. This policy was last updated in November 2018.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Community Engagement

In preparation for this request, Tacoma Water sought input from policymakers during PUB study sessions and members of the public during a PUB meeting public comment period.

Customer Research

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: *(Mandatory)*

Please state how this legislation will reduce racial and other inequities, disparities, or discrimination to under-represented communities. Please state what positive impacts on equity, equality, diversity or inclusion, if any, would result from enacting this legislation.

Livability: *Equity Index Score:* Select Index Score.

Increase positive public perception of safety and overall quality of life.

How does your policy, program, or service help or harm the health of the natural environment?² (e.g. reduction in carbon emissions, open space conditions, sustainability, clean air, water and soil, and noise and light pollution).

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

The added language in Tacoma Water's Rate and Financial Policy reiterates and codifies the utility's commitment to equitable access to clean, reliable water and ensuring that the utility is preparing for the long-term effects of climate change.



ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Updated language is not adopted		Tacoma Water Rate and Financial Policies will not include language that reflects the City's or PUB's commitment to equity, long-term planning, and acknowledgement of the effects of climate change
2.		
3.		

EVALUATION AND FOLLOW UP:

Tacoma Water's Financial Stewardship staff will conduct regular quantitative and qualitative reviews of the Water Rate and Financial Policy to ensure that the policy is sound and is reflective of management and Public Utility Board directives and priorities.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Water recommends that the updated language of the Water Rate and Financial Policy is approved by the Tacoma City Council.



FISCAL IMPACT:

There are no direct impacts to expenditures and revenues related to this request.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1.			
2.			
TOTAL			

What Funding is being used to support the expense?

N/A

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

NO, PLEASE EXPLAIN BELOW

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

No

Will the legislation have an ongoing/recurring fiscal impact?

No

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

No

ATTACHMENTS:

- Red-lined version of the Water Rate and Financial Policy
- Clean version of the Water Rate and Financial Policy with updates