



# Environmental Services Commission Memorandum

**TO:** Elizabeth A. Pauli, City Manager, and Tacoma City Council

**FROM:** Environmental Services Commission

**SUBJECT:** 2021-2022 Environmental Services Revenue Adjustments Recommendation

**DATE:** September 10, 2020

The Environmental Services Commission (the Commission) is comprised of 15 members representing the City's business, residential, governmental, and regulatory concerns. The City Manager appoints members for three-year terms. Our purpose is to provide feedback from the customers' perspective on rates, programs, and policies for the three Environmental Services utilities. The Commission began meeting to discuss the development of rates early in 2020, carefully reviewing policies, programs, and rate projections for the six-year plan for each utility. At this time we are reporting to the City Manager and Tacoma City Council our findings and recommendations.

Due to recent extraordinary circumstances resulting from the COVID-19 crisis, the Commission is recommending a deviation from the six-year revenue plan for the first time in almost a decade. We understand the financial impacts of the pandemic and believe the deviation is necessary to accommodate the economic hardships impacting our community. The Commission recognizes that these are difficult times for Environmental Services' customers and, with that in mind, we support the expansion of the ratepayer assistance programs as presented at a recent City Council Study Session.

## **Wastewater**

**The Commission supports adoption of Wastewater revenue increases of 2.0% in 2021 and 2022.** These increases are 1.5% less each year than projected in the previous revenue plan. This plan includes capital spending of \$76 million and operating spending (including debt service) of \$156 million. The Commission feels this is an appropriate budget and funding level to maintain compliance with the National Pollutant Discharge Elimination System (NPDES) permit and to support the long-term life-cycle health of the utility.

## **Surface Water**

**The Commission supports adoption of Surface Water revenue increases of 2.0% in 2021 and 2022.** These increases are 1.0% less each year than projected in the previous revenue plan. This plan includes capital spending of \$52 million and operating spending (including debt service) of \$63 million. We support the development of programs that manage the quality and quantity of surface water and prevent violation of the NPDES MS4 permit. The Commission feels this is an appropriate budget and funding level to maintain compliance with the NPDES permit and to support the long-term life-cycle health of the utility.

**Solid Waste**

**The Commission supports adoption of Solid Waste revenue increases of 2.0% in 2021 and 2022.** These increases are 1.0% less each year than projected in the previous revenue plan. This plan allocates \$24 million for capital spending and operating spending (including debt service) of \$135 million. The Commission feels this is an appropriate budget and funding level to maintain compliance with Solid Waste permit regulations and to support the long-term life-cycle health of the utility.

The Commission supports the City's continued objective to reduce the volume of waste entering the City of Tacoma's Recovery & Transfer Center while supporting efforts to provide cost-effective services to the residents of Tacoma.

Thank you,

The Environmental Services Commission

<i>Frankie Johnson</i> Frankie Johnson, Chair	<i>Deanna Seaman</i> Deanna Seaman, Vice Chair
<i>Jessica Alvestad</i> Jessica Alvestad, Commissioner	<i>Esther Beaumier</i> Esther Beaumier, Commissioner
<i>Marina Becker</i> Marina Becker, Commissioner	<i>Marty Campbell</i> Marty Campbell, Commissioner
<i>Phil Coughlan</i> Phil Coughlan, Commissioner	<i>Richard Doenges</i> Richard Doenges, Commissioner
<i>Emily Hall</i> Emily Hall, Commissioner	<i>Ken Howes</i> Ken Howes, Commissioner
<i>Grant Middleton</i> Grant Middleton, Commissioner	<i>Nate Mozer</i> Nate Mozer, Commissioner
<i>Mike Runion</i> Mike Runion, Commissioner	<i>Wayne Wooster</i> Wayne Wooster, Commissioner

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