



TMC 12.10 Rate Additions

Tacoma Public Utilities | Tacoma Water

Government Performance and Finance
Committee Meeting
April 23, 2024



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OVERVIEW



- Tacoma Water is requesting two additions to TMC Chapter 12
- These additions will allow for the continuity of billing to WestRock upon contract expiration

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BACKGROUND



- On August 1, 2023, WestRock announced the closure of the Tacoma paper mill
- In December, usage declined beyond what their meters are capable of reporting, leading to the creation of a minimum daily flow rate administrative solution
- Rates that WestRock is subject to have been managed through contract, not through traditional rate schedules
- WestRock's water supply contract is scheduled to expire on July 31, 2024

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ISSUES



- The Tacoma pulp mill site is likely to be occupied by WestRock beyond the expiration of the existing contract
- Tacoma Water currently has no mechanism to bill WestRock once the existing contract expires

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PROPOSED REVISIONS

- **City Code Chapter 12**
 - Amends Article 10
 - Adds the Ready-to-Serve charge for a 20” meter
 - Imposes a minimum daily flow rate for customers receiving domestic service through a 20” meter

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PROPOSED REVISIONS (12.10.400.A.1)

Residential, Commercial & Large Volume - Ready to Serve Charge						
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
5/8	\$26.68	\$28.95	\$32.28	\$34.94	\$34.67	\$37.53
3/4	\$38.55	\$41.92	\$46.52	\$50.51	\$49.97	\$54.24
1	\$62.29	\$67.84	\$75.01	\$81.62	\$80.57	\$87.66
1.5	\$121.64	\$132.65	\$146.23	\$159.38	\$157.06	\$171.19
2	\$192.86	\$210.42	\$231.69	\$252.70	\$248.86	\$271.44
3	\$359.04	\$391.89	\$431.11	\$470.47	\$463.05	\$505.33
4	\$596.44	\$651.14	\$715.99	\$781.57	\$769.04	\$839.49
6	\$1,189.94	\$1,299.25	\$1,428.19	\$1,559.30	\$1,534.02	\$1,674.84
8	\$1,902.14	\$2,076.98	\$2,282.83	\$2,492.58	\$2,451.99	\$2,677.29
10	\$2,733.04	\$2,984.34	\$3,279.91	\$3,581.41	\$3,522.95	\$3,846.80
12	\$4,009.07	\$4,377.79	\$4,811.15	\$5,253.55	\$5,167.65	\$5,642.84
20*		\$15,561.02		\$18,673.22		\$20,056.60

* Customers who elect to receive service from the City through a 20” meter are subject to a minimum daily flow rate equivalent to 0.30 MGD, calculated monthly and assessed at the applicable Large Volume rate.

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ALTERNATIVES



- Tacoma Water engages in contract negotiations with WestRock and attempt to have an agreement in place by August 1
- WestRock can request that Tacoma Water install a smaller meter with an existing schedule at their cost

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RECOMMENDATIONS



- Staff recommends the GPFC forward the outlined TMC changes to City Council for consideration and approval

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NEXT STEPS



- Council Committee Review – April 23
- Public Utility Board Meeting – April 24
- City Council Consideration (1st Reading) – April 30
- City Council Consideration (2nd Reading) – May 7

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