



ORDINANCE NO. 28423

1 AN ORDINANCE relating to the Department of Public Utilities, Water Division;
2 amending Section 12.10.400 of the Tacoma Municipal Code, “Rates –
3 Inside and outside City limits,” by repealing Subsection 12.10.400.E
4 thereof to remove language relating to temporary water service contracts.

5 WHEREAS Section 4.10 of the Tacoma City Charter (“City Charter”)
6 provides that “[t]he Public Utility Board, subject only to the limitations imposed by
7 this charter and the laws of this state, shall have full power to construct, condemn
8 and purchase, acquire, add to, maintain, and operate the electric, water, and belt
9 line railway utility systems,” and

10 WHEREAS, pursuant to City Charter Section 4.10, the Public Utility Board
11 has the authority to enter into contracts with its customers that set the terms and
12 conditions for providing utility service, and

13 WHEREAS City Charter Section 4.11 provides, in pertinent part, that “[a]ll
14 matters relating to system expansion and the making of additions and betterments
15 thereto or extensions thereof, the incurring of indebtedness, the issuance of bonds,
16 and the fixing of rates and charges for utility services under the jurisdiction of the
17 Board shall be initiated by the Board, subject to approval by the Council . . . ,” and

18 WHEREAS Tacoma Municipal Code (“TMC”) 12.10.400.E provides as
19 follows:

20 The Superintendent, with the approval of the Board, shall have
21 the right to enter into contracts for periods up to 20 years where
22 service conditions are extraordinary; provided, that such contracts
23 shall contain applicable rates as adopted by the Board and the
24 City Council.

25 and
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WHEREAS this TMC provision has introduced a lack of clarity of the
respective authorities of the Public Utility Board and City Council, and

WHEREAS, because TMC 12.10.400.E reinforces authorities which are
explicitly provided by the City Charter, Tacoma Water is recommending that this
section be repealed, and

WHEREAS eliminating this language will not infringe upon the Public Utility
Board's Charter authority to manage the services provided by Tacoma Water, or
otherwise diminish Tacoma Public Utilities' commitment to economic development
in the region or engaging in transactions that generally benefit retail customers;

Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

That Section 12.10.400 of the Tacoma Municipal Code is hereby amended
as forth in the attached Exhibit "A."

Passed _____

Mayor

Attest:

City Clerk

Approved as to Form:

Acting City Attorney

Requested by Public Utility Board
Amended Resolution No. U-10921



EXHIBIT "A"

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12.10.400 Rates – Inside and outside City limits.

The standard charge for water supplied inside and outside the City for residential, and commercial/industrial use shall consist of a customer charge, also termed a “monthly ready to serve charge,” based on the meter size together with the rate for the quantity of water used.

For water supplied to a single premises which contains multiple dwelling units, i.e., two or more houses under the same ownership, duplexes, apartment buildings, condominiums, mobile home parks, trailer courts, industrial buildings, etc., the monthly charges will be the same as indicated above.

When water is being supplied to an existing multiple premises, i.e., two or more separate premises being served by one service and meter, the “monthly ready to serve charge” will be based on either the existing meter size or on a 5/8-inch meter size for each premises served, whichever is the greater charge.

When more than one service supplies a premises, the consumption of water for each meter shall be computed separately.

* * *

~~E. Special Contracts. The Superintendent, with the approval of the Board, shall have the right to enter into contracts for periods up to 20 years where service conditions are extraordinary; provided, that such contracts shall contain applicable rates as adopted by the Board and the City Council.~~

FE. The Pulp Mill Contract. The rates, terms, and conditions in the contract originally entered between the City and RockTenn CP, LLC (“Pulp Mill”) and all future assignee to the contract are applicable, except as modified by this section. For a nominated contract demand, the water rate will be based on a monthly distribution charge and the daily supply charge. If the monthly water use exceeds 103% of the contract demand or the daily water use exceeds 109% of the contract demand, an excess water usage charge will be applied. The excess water usage charge will be either the daily excess water use charge or the monthly excess water use charge, whichever is greater.

Water use within the range of contract demand plus 3 percent: The charge will consist of a monthly distribution charge and daily supply charge per ccf metered as stated below.

Daily water use greater than one hundred and nine percent (109%) of the contract demand: The charge will consist of a monthly distribution charge, daily supply charge, plus a Daily Excess Water Usage Charge (based upon the commercial and industrial-large volume rate) for water metered daily in excess of the contract demand plus 9 percent as stated below.

Monthly water use greater than one hundred and three percent (103%) of the contract demand: The charge will consist of a monthly distribution charge, daily supply charge, plus a Monthly Excess Water Usage Charge (based on the commercial and industrial-large volume rate) for water metered during a month in excess of the contract demand plus 3 percent, as stated in the following table.

Billing Components	Commencing	
	4/1/17	1/1/18
Distribution Charge per Month	\$77,201.64	\$80,289.71
Supply Charge/CCF	\$0.7148458	\$0.7434396
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per	\$1.666	\$1.782

1. The Superintendent is hereby authorized to execute a contract with the Pulp Mill to provide additional terms and conditions of service and other provisions consistent with this ordinance.



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GF. Meter Tests. If a customer has informed the Division that its water consumption has been above its normal billing consumption and verification discovers no leaks on the customer facilities, the customer may request that the Division test the meter. If the test discloses the meter is accurate within the American Water Works Association (“AWWA”) specifications, the customer will be billed for the test and their water bill will not be adjusted. If the test discloses the meter is not accurate within the AWWA specifications and the inaccuracy is the cause of the recorded high consumption, the customer’s water bill will be adjusted and credit given for the excessive consumption and the customer will not be billed for the test. The charge for testing meters shall be added to the customer’s bill as follows:

Meter Size	Cost
1-inch and smaller	\$75.00
>1-inch	*Estimated Cost

*The customer shall pay a deposit in the amount of the Division’s estimated cost. If the actual cost differs from the estimated cost, the customer will be refunded or billed the difference. The Division will not test meters owned by others.

HG. Low Pressure or Low Flow Concerns. The customer may request the Division to conduct a flow and pressure test on the service to its premises. If the cause of the problem is found to be located on the property side of the meter yoke outlet, the customer will be invoiced for a fee of \$25. If the test discloses that the low flow and/or pressure is caused by Division facilities, the Division will attempt to correct the problem and the customer will not be charged.

HJ. Low-income Senior and/or Low-income Disabled Residential Rate Discount. Residential customers who qualify as low- income senior or low-income disabled shall be eligible for a 30 percent reduction from the regular residential water rates. The determination of low-income senior and low-income disabled shall be made as set forth in TMC 12.06.165 for City Light Division (d.b.a. “Tacoma Power”) customers. Customers must submit an application for review and acceptance by the authorized administering agency to qualify for this reduction. For the water rate discount, there is no requirement that a customer be a Tacoma Power customer or submit to an energy audit.

JI. Water System Acquisition. A water system may be acquired by the City under an agreement between the water system owner(s) and the City with Board and City Council approval. When all or a portion of the acquired system requires upgrading equal to Division standards, the agreement shall provide for funds to achieve compliance with said standards. Under the agreement, a surcharge may be levied by the City for a period of time or an LID may be formed in accordance with RCW Title 35. The surcharge shall be an additional charge equivalent to the Ready to Serve charge per month times a multiplier, or an actual dollar amount as stated in the acquisition agreement and set forth below. The current surcharge areas include:

Former Water System	
Hyada Mutual Service Company	Total Monthly Charge \$30.00 per month through July 2022

If allowed by the acquisition agreement, a customer in a surcharge area may opt to pay off the outstanding surcharge amount.