



RESOLUTION NO. U-11486

1 A RESOLUTION related to the revision of Chapter 10 (Water Regulations and
Rates) in Title 12 (Utilities) of the Tacoma Municipal Code, Sections
2 12.10.304 and 12.10.400, for rate adjustments effective January 1, 2025.

3 WHEREAS the City of Tacoma, Department of Public Utilities, Water
4 Division ("Tacoma Water"), has requested proposed changes to Chapter 10
5 ("Water Regulations and Rates") in Title 12 ("Utilities") of the Tacoma Municipal
6 Code ("TMC"), for water rate adjustments effective January 1, 2025, and

7 WHEREAS Tacoma Water directly serves a population of over 350,000
8 in the greater Tacoma metropolitan area, and

9 WHEREAS in 2023, the utility delivered approximately 49 million gallons
10 a day and generated approximately \$109 million in water sales, and

11 WHEREAS although overall water consumption has remained steady,
12 absent the loss of the WestRock Paper Mill, ongoing costs to maintain the utility
13 have increased, and

14 WHEREAS Tacoma Water is proposing annual system average rate
15 adjustments of 6.5% effective January 1, 2025, and 6.5% effective January 1,
16 2026, in order to meet these ongoing needs, and

17 WHEREAS the proposed changes to Chapter 10 of Title 12 of the TMC
18 are set forth in Exhibit A, and

19 WHEREAS in the development of this proposal, Tacoma Water
20 developed a revenue requirement, conducted a cost-of-service analysis, and
21 performed rate-design that incorporates the 2025-2026 budget request, and
22 performed rate-design that incorporates the 2025-2026 budget request, and

23 WHEREAS this proposal is in alignment with the industry ratemaking
24 standards and best practices, Tacoma Water's Rate and Financial Policy, as
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1 well as the Public Utility Board's ("PUB") Guiding Principles of Financial
2 Sustainability ("GP-2") and rates ("GP-3"), and

3 WHEREAS this proposal maintains long-term financial stability for the
4 utility and gradual rate adjustments for customers, and

5 WHEREAS in preparation of this request, Tacoma Water sought input
6 from customers, policymakers, and members of the public through various
7 meeting such as: franchise city council meetings, neighborhood council
8 meetings, PUB study sessions and meetings, public hearings, PUB and City
9 Council joint study sessions, and Government Performance & Finance
10 Committee ("GPFC") meetings, and

11 WHEREAS in addition, communication has also been distributed through
12 bill inserts, mailings, website, and social media, and

13 WHEREAS based on customer research and national benchmarks,
14 Tacoma Water's average monthly bills are well within the threshold of
15 affordability, however, there are customers that are more negatively impacted
16 by rate increases, and

17 WHEREAS this proposal also includes increases to Tacoma Water's Bill
18 Credit Assistance Program ("BCAP"), automatically providing additional credits
19 to customers who are income qualified and enrolled in the program, and

20 WHEREAS in addition to rate proposals, Tacoma Water is
21 recommending the following modifications:
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- 24 • Clarify the language of the Tier 1 Residential Rate located in TMC
25 12.10.400. A.2, from "For the first five CCF . . ." to "Up to five
26 CCF . . ." to align with the mechanics of the billing system that is
based on billing period rather than calendar month.



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- Remove the rate schedule located in TMC 12.10.400.E due to the closure of the Tacoma WestRock Paper Mill, and

WHEREAS revisions to Tacoma Water rates and regulations require 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 rates and regulations 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 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 regulations and rates and charges are hereby approved, and the Council of the City of Tacoma is requested to pass an ordinance approving such revisions and amending Chapter 10 of Title 12 of the Tacoma Municipal Code, as set forth in the background materials and as substantially in the form as on file with the Clerk of the Board and approved by the City Attorney's Office.

Approved as to form:

/s/
Chief Deputy City Attorney

Charleen Jacobs
Clerk

[Signature]
Chair

[Signature]
Secretary

Adopted 10-23-24