



ORDINANCE NO. 28554

1 AN ORDINANCE relating to the Department of Public Utilities, Water Division;
2 amending Chapter 12.10 of the Tacoma Municipal Code, relating to water
3 rates and fees.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Water
5 Division (d.b.a. "Tacoma Water") revenue requirements analysis for the 24-month
6 rate period of January 1, 2019, through December 31, 2021, indicates a revenue
7 shortfall of approximately \$6.4 million due to general inflationary increases for
8 expenses such as personnel, as well as increases for assessments, including
9 additional support for the low-income program, and

10 WHEREAS, based on this analysis, Tacoma Water is requesting approval
11 for an approximate overall rate increase of 2.5 percent effective January 1, 2019,
12 and an approximate overall rate increase of 2.5 percent effective January 1, 2020,
13 to generate projected revenue requirements for utility operations, and

14 WHEREAS, pursuant to Tacoma City Charter Section 4.11, revisions to
15 Tacoma Water rates and regulations require approval by the Public Utility Board
16 and City Council, and

17 WHEREAS public comments on this matter were taken by the Public Utility
18 Board ("Board") on October 10, 2018, and the Board approved the recommended
19 changes at its regular meeting held on October 24, 2018, and

20 WHEREAS the recommended changes to the rates and regulations are just,
21 fair, and reasonable, and are in the best interest of the citizens of Tacoma and the
22 customers of Tacoma Water; Now, Therefore,

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BE IT ORDAINED BY THE CITY OF TACOMA:

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That Chapter 12.10 of the Tacoma Municipal Code, "Water Regulations and Rates," is hereby amended as set forth in the attached Exhibit "A."

Passed _____

Mayor

Attest:

City Clerk

Approved as to Form:

Chief Deputy City Attorney

Requested by Public Utility Board
Amended Resolution No. U-11037

EXHIBIT “A”

Chapter 12.10

WATER - REGULATIONS AND RATES

Sections:

- 12.10.010 Rules established.
- 12.10.020 Definitions.
- 12.10.030 Water service inside/outside City limits.
- 12.10.035 Ability to supply water within City limits.
- 12.10.040 Application for service.
- 12.10.045 Services and meters.
- 12.10.050 Establishment of service account and request for turn-on.
- 12.10.060 Billing.
- 12.10.110 Turn-on and/or - Unauthorized use.
- 12.10.115 Turn-off, turn-on - Responsibility and liability.
- 12.10.120 Turn-off, turn-on - Condemned buildings.
- 12.10.125 Damage of water service installation.
- 12.10.130 Termination of service.
- 12.10.150 Interruption of service.
- 12.10.170 Ownership of water mains and appurtenances.
- 12.10.180 Operation of private water systems.
- 12.10.200 Private contract charges.
- 12.10.220 Cross connections.
- 12.10.250 Water service construction charges.
- 12.10.275 Property-side (private) in public rights-of-way.
- 12.10.300 Fire hydrant installation and relocation.
- 12.10.301 Fire hydrant services fee (~~inside City of Tacoma~~).
- 12.10.302 System capacity flow testing.
- ~~12.10.303 Franchise hydrant service fee (outside City of Tacoma).~~
- 12.10.305 Fire hydrant use (non-fire fighting).
- 12.10.310 System development charge (“SDC”).
- 12.10.315 Water main charge.
- 12.10.350 Premises not abutting a permanent water main.
- 12.10.400 Rates - Inside and outside City limits.
- 12.10.485 City not liable for damages.
- 12.10.490 Protection of public health.
- 12.10.495 South Tacoma Groundwater Protection.
- 12.10.500 Waivers - By Superintendent.
- 12.10.505 Customer service policies - Additional rules and regulations.
- 12.10.515 Violations - Penalties - Enforcement.
- 12.10.520 Severability.
- 12.10.525 Interference with and/or damage to City water system.

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12.10.301 Fire hydrant services fee (~~inside City of Tacoma~~).

Pursuant to Chapter 70.315 of the Revised Code of Washington, the Water Division will charge and collect all costs associated with providing fire hydrant services ~~inside the City of Tacoma~~ from ~~the City of Tacoma general government and~~ the customers, “Residential Service,” “Commercial and Industrial – General Service,” and “Commercial and Industrial – Large Volume Service” rate categories, ~~located inside the City~~ following the rate schedules below:

Monthly Hydrant Service Fee		
	Rate Effective Dates Commencing	
	4/1/17 1/1/19	1/1/18 1/1/20
Inside City of Tacoma Customer	\$2.38 \$2.71	\$2.54 \$2.90
Outside City of Tacoma	\$3.48	\$3.75

The ~~inside City of Tacoma~~ customer portion of the fire hydrant service fee shall be calculated on a monthly basis, ~~included in the Ready to Serve charge~~, invoiced and collected pursuant to the applicable customer service policies.

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12.10.303 — Franchise hydrant service fee.

~~Pursuant to the Washington State Supreme Court decision in City of Tacoma v. City of Bonney Lake, 173 Wn.2d 584 (2012) and Chapter 70.315 of the Revised Code of Washington, all costs associated with providing fire hydrant services in areas served through franchise agreements or other contract shall be charged and collected from ratepayers in these areas as a cost of doing business. Only those customers in the “Residential Service,” “Commercial and Industrial — General Service,” and “Commercial and Industrial — Large Volume Service” rate categories will be charged for these services. The total costs owed shall be calculated on a biennial basis as part of the Water Division’s approved budget and distributed to customers via a monthly service fee. The service fee is composed of two components calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies:~~

- ~~1. a “historical service component” that is a temporary amortized recovery of historical service provided but not previously billed to customers outside the City of Tacoma during the time the City of Tacoma v. City of Bonney Lake case was litigated, with said component applying only to customers in the affected areas outside the City of Tacoma; and~~
- ~~2. an “ongoing service component.”~~

Monthly Hydrant Service Fee (Historical Service Component)		
	Commencing	
	4/1/2017	1/1/2018
Outside City, other contract	\$1.90	\$1.90

Monthly Hydrant Service Fee (Ongoing Service Component)		
	Commencing	
	4/1/2017	1/1/2018
Outside City, other contract	\$3.06	\$3.23

12.10.400 Rates – Inside and outside City limits.

The standard charge for water supplied inside and outside the City for residential, commercial/industrial, parks and irrigation, and public facilities 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, and public fire protection fees, where applicable.

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.

A. Standard charges:

1. The monthly ready to serve charge shall be in accordance with the following schedule for residential, commercial/industrial, and commercial/industrial large volume.

Residential, Commercial & Large Volume - Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma Inside Commencing		Outside City of Tacoma Outside Commencing	
	Rate Effective Dates			
	4/1/17 1/1/19	1/1/18 1/1/20	4/1/17 1/1/19	1/1/18 1/1/20
5/8	\$21.20 <u>\$24.76</u>	\$22.05 <u>\$24.95</u>	\$25.44 <u>\$29.94</u>	\$26.46 <u>\$30.21</u>
3/4	\$31.80 <u>\$35.79</u>	\$33.08 <u>\$35.98</u>	\$38.16 <u>\$43.18</u>	\$39.70 <u>\$43.45</u>
1	\$53.00 <u>\$57.84</u>	\$55.13 <u>\$58.03</u>	\$63.60 <u>\$69.64</u>	\$66.16 <u>\$69.91</u>
1.5	\$106.00 <u>\$112.96</u>	\$110.25 <u>\$113.15</u>	\$127.20 <u>\$135.78</u>	\$132.30 <u>\$136.05</u>
2	\$169.60 <u>\$179.11</u>	\$176.40 <u>\$179.30</u>	\$203.52 <u>\$215.16</u>	\$211.68 <u>\$215.43</u>
3	\$318.00 <u>\$333.46</u>	\$330.75 <u>\$333.65</u>	\$381.60 <u>\$400.38</u>	\$396.90 <u>\$400.65</u>
4	\$530.00 <u>\$553.96</u>	\$551.25 <u>\$554.15</u>	\$636.00 <u>\$664.98</u>	\$661.50 <u>\$665.25</u>
6	\$1,060.00 <u>\$1,105.21</u>	\$1,102.50 <u>\$1,105.40</u>	\$1,272.00 <u>\$1,326.48</u>	\$1,323.00 <u>\$1,326.75</u>
8	\$1,696.00 <u>\$1,766.71</u>	\$1,764.00 <u>\$1,766.90</u>	\$2,035.20 <u>\$2,120.28</u>	\$2,116.80 <u>\$2,120.55</u>
10	\$2,438.00 <u>\$2,538.46</u>	\$2,535.75 <u>\$2,538.65</u>	\$2,925.60 <u>\$3,046.38</u>	\$3,042.90 <u>\$3,046.65</u>
12	\$3,577.50 <u>\$3,723.65</u>	\$3,720.94 <u>\$3,723.84</u>	\$4,293.00 <u>\$4,468.61</u>	\$4,465.13 <u>\$4,468.88</u>

The monthly ready to serve charge shall be in accordance with the following schedule for parks and irrigation.

Parks and Irrigation - Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma Inside Commencing		Outside City of Tacoma Outside Commencing	
	Rate Effective Dates			
	4/1/17 1/1/19	1/1/18 1/1/20	4/1/17 1/1/19	1/1/18 1/1/20
5/8	\$17.67 <u>\$11.03</u>	\$14.70 <u>\$7.35</u>	\$21.20 <u>\$13.23</u>	\$17.64 <u>\$8.82</u>
3/4	\$26.50 <u>\$16.54</u>	\$22.05 <u>\$11.03</u>	\$31.80 <u>\$19.85</u>	\$26.47 <u>\$13.23</u>
1	\$44.17 <u>\$27.57</u>	\$36.75 <u>\$18.38</u>	\$53.00 <u>\$33.08</u>	\$44.11 <u>\$22.05</u>
1.5	\$88.33 <u>\$55.13</u>	\$73.50 <u>\$36.75</u>	\$106.00 <u>\$66.15</u>	\$88.20 <u>\$44.10</u>
2	\$141.33 <u>\$88.20</u>	\$117.60 <u>\$58.80</u>	\$169.60 <u>\$105.84</u>	\$141.12 <u>\$70.56</u>
3	\$265.00 <u>\$165.38</u>	\$220.50 <u>\$110.25</u>	\$318.00 <u>\$198.45</u>	\$264.60 <u>\$132.30</u>
4	\$441.67 <u>\$275.63</u>	\$367.50 <u>\$183.75</u>	\$530.00 <u>\$330.75</u>	\$441.00 <u>\$220.50</u>
6	\$883.33 <u>\$551.25</u>	\$735.00 <u>\$367.50</u>	\$1,060.00 <u>\$661.50</u>	\$882.00 <u>\$441.00</u>
8	\$1,413.33 <u>\$882.00</u>	\$1,176.00 <u>\$588.00</u>	\$1,696.00 <u>\$1,058.40</u>	\$1,411.20 <u>\$705.60</u>
10	\$2,031.67 <u>\$1,267.88</u>	\$1,690.50 <u>\$845.25</u>	\$2,438.00 <u>\$1,521.45</u>	\$2,028.60 <u>\$1,014.30</u>
12	\$2,981.25 <u>\$1,860.47</u>	\$2,480.63 <u>\$1,240.31</u>	\$3,577.50 <u>\$2,232.57</u>	\$2,976.75 <u>\$1,488.38</u>

The monthly ready to serve charge shall be in accordance with the following schedule for wholesale.

Wholesale - Ready to Serve Charge		
Meter Size (Inches)	Rate Effective Dates	
	1/1/19	1/1/20
<u>5/8</u>	<u>\$26.46</u>	<u>\$26.46</u>
<u>3/4</u>	<u>\$39.70</u>	<u>\$39.70</u>
<u>1</u>	<u>\$66.16</u>	<u>\$66.16</u>
<u>1.5</u>	<u>\$132.30</u>	<u>\$132.30</u>
<u>2</u>	<u>\$211.68</u>	<u>\$211.68</u>
<u>3</u>	<u>\$396.90</u>	<u>\$396.90</u>
<u>4</u>	<u>\$661.50</u>	<u>\$661.50</u>
<u>6</u>	<u>\$1,323.00</u>	<u>\$1,323.00</u>
<u>8</u>	<u>\$2,116.80</u>	<u>\$2,116.80</u>
<u>10</u>	<u>\$3,042.90</u>	<u>\$3,042.90</u>
<u>12</u>	<u>\$4,465.13</u>	<u>\$4,465.13</u>

2. The schedule of rates for water used shall be as follows and billed to the nearest CCF (100 cubic feet or approximately 748 gallons):

Residential Service - Rate per CCF				
Range in CCF (100 cubic feet)	Inside City of Tacoma Rate per CCF		Outside City of Tacoma	
	Rate Effective Dates Inside Commencing			
	4/1/17 1/1/19	1/1/18 1/1/20	4/1/17 1/1/19	1/1/18 1/1/20
Winter Tier: For each CCF of water consumption during the winter months of October through and including May	<u>\$1.825</u> <u>\$2.011</u>	<u>\$1.895</u> <u>\$2.132</u>	<u>\$2.190</u> <u>\$2.413</u>	<u>\$2.274</u> <u>\$2.558</u>
Summer Tier 1: For the first five CCF of water consumption per month during the summer months of June through and including September	<u>\$1.825</u> <u>\$2.011</u>	<u>\$1.895</u> <u>\$2.132</u>	<u>\$2.190</u> <u>\$2.413</u>	<u>\$2.274</u> <u>\$2.558</u>
Summer Tier 2: For each CCF of water consumption over five CCF during the summer months of June through and including September	<u>\$2.281</u> <u>\$2.514</u>	<u>\$2.369</u> <u>\$2.665</u>	<u>\$2.738</u> <u>\$3.016</u>	<u>\$2.843</u> <u>\$3.198</u>

Commercial and Industrial - General Service - Rate per CCF				
Range in CCF (100 cubic feet)	Inside City of Tacoma Rate per CCF		Outside City of Tacoma	
	Rate Effective Dates			
	4/1/17 1/1/19	1/1/18 1/1/20	4/1/17 1/1/19	1/1/18 1/1/20
For each CCF of water consumption	<u>\$2.032</u> <u>\$2.209</u>	<u>\$2.123</u> <u>\$2.298</u>	<u>\$2.438</u> <u>\$2.651</u>	<u>\$2.548</u> <u>\$2.758</u>

Commercial and Industrial - Large Volume Service - Rate per CCF. Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.				
Range in CCF (100 cubic feet)	<u>Inside City of Tacoma</u> Inside Commencing		<u>Outside City of Tacoma</u> Outside Commencing	
	<u>Rate Effective Dates</u>			
	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>
For each CCF of water consumption	\$1.666 <u>\$1.784</u>	\$1.782 <u>\$1.787</u>	\$1.999 <u>\$2.141</u>	\$2.138 <u>\$2.144</u>

Parks and Irrigation Service - Rate per CCF				
Range in CCF (100 cubic feet)	<u>Inside City of Tacoma</u> Inside Commencing		<u>Outside City of Tacoma</u> Outside Commencing	
	<u>Rate Effective Dates</u>			
	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>
For each CCF of water consumption	\$3.115 <u>\$3.739</u>	\$3.485 <u>\$3.998</u>	\$3.738 <u>\$4.487</u>	\$4.182 <u>\$4.798</u>

B. Wholesale Service. Wholesale water service may be provided to community water systems that are in compliance with state Department of Health regulations. All wholesale water agreements are subject to Tacoma Public Utility Board approval. Any customer purchasing wholesale water must adopt or commit, in writing, to a water conservation and water shortage response program substantially equivalent to the Division's program as a condition of service.

1. Water Rates. A wholesale water service customer with contractual agreement from Tacoma Water may choose either a rate schedule below with a corresponding ready to serve charge as described in section A1. For an outside city customer or a market-based price set by Tacoma Water staff based on an analysis of the wholesale system and their supply alternatives.

a. Constant Use Customer:

Wholesale Constant Use Customer - Rate per CCF		
Range in CCF (100 cubic feet)	<u>Rate per CCF</u> <u>Effective Dates</u>	
	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>
Per CCF for winter months (October - May)	\$2.112 <u>\$2.042</u>	\$2.112 <u>\$1.973</u>
Per CCF for summer months (June - September)	\$2.640 <u>\$2.553</u>	\$2.640 <u>\$2.466</u>

This option may be considered by those customers using water on a year-round basis where their average summer day use divided by their average winter day use results in a summer/winter use ratio of 2.5 or less.

b. Summer Season, Peaking:

Wholesale Summer Season, Peaking - Rate per CCF		
Range in CCF (100 cubic feet)	<u>Rate per CCF</u> <u>Effective Dates</u>	
	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>
For each CCF of water consumption	\$3.960 <u>\$3.829</u>	\$3.960 <u>\$3.699</u>

This option will be used for those customers using relatively large amounts of water in the summer months and little or no water in winter months. The ratio of average summer day use divided by average winter day use shall be greater than 2.5.

For purposes of these rates, summer-use months are defined as June through September and winter-use months are October through May.

Existing customers will be classified into one of the two rate schedules upon annual review of their usage patterns. New customers will select a rate based upon anticipated use. This selection will be subject to revision if usage is not consistent with the above options after a six-month period.

1. Additional Water. Additional or new water may be provided by the City to a wholesale customer conditioned upon satisfying the following:

c. For every new customer of the wholesale customer that is provided with water from City’s surplus supply, the wholesale customer shall remit to the City (on a monthly basis or by other arrangement as agreed to by the Superintendent) the appropriate SDC for said customer based on meter size in accordance with TMC 12.10.310.

d. That, in lieu of satisfying subsection A above, in the event the wholesale customer is in a water deficient status or later becomes water deficient as determined by the Superintendent in consultation with wholesale customer, then the Superintendent shall establish a SDC equivalent for said wholesale customer. This SDC equivalent shall not be less than what the total “retail customer equivalent” would have been for the total deficiency.

e. That the City and wholesale customer shall enter into a letter agreement setting forth the above requirements and committing the wholesale customer to remit the SDC payment to City. The wholesale customer may be required to provide City with periodic reports, certified to be accurate, detailing pertinent data.

D. Emergency Intertie Service. Requests for one-way and two-way emergency intertie service between the City and another purveyor will be considered.

The Superintendent may enter into specific agreements, specifying the terms under which water will be furnished or accepted by the Division. Water furnished to a purveyor through an emergency intertie service will be billed as a wholesale service with a ready to serve charge and rate for water used. Billing will be at the constant use rate for up to 30 days. If use exceeds 30 days the Superintendent will have the discretion to change the constant use rate to the summer season peaking rate. Said agreement shall provide that neither party shall be liable for failure to deliver water to the other at any time.

E. Fire Protection Service. When a customer does not receive domestic water from the Division and requests a fire service from the Division the appropriate regular domestic service rates shall apply as detailed above. In addition all regular construction fees, main charges and SDC shall apply. Where City water is used for domestic purposes, such customers are entitled to a separate fire service at the regular fire service rate, payable monthly as follows:

Fire Protection Service – Ready to Serve Charge						
Meter Size (Inches)	<u>Inside City of Tacoma</u> <u>Commencing</u>		<u>Outside City of Tacoma</u> <u>Commencing</u>		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF	
	<u>Rate Effective Dates</u>					
	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>		
2	<u>\$25.89</u> <u>\$27.37</u>	<u>\$26.07</u> <u>\$28.78</u>	<u>\$31.07</u> <u>\$32.84</u>	<u>\$31.07</u> <u>\$34.54</u>	2.99	
3	<u>\$37.70</u> <u>\$39.85</u>	<u>\$37.96</u> <u>\$41.91</u>	<u>\$45.24</u> <u>\$47.82</u>	<u>\$45.24</u> <u>\$50.29</u>	2.99	
4	<u>\$62.98</u> <u>\$66.58</u>	<u>\$63.42</u> <u>\$70.01</u>	<u>\$75.58</u> <u>\$79.90</u>	<u>\$75.58</u> <u>\$84.01</u>	2.99	
6	<u>\$141.27</u> <u>\$149.35</u>	<u>\$142.25</u> <u>\$157.04</u>	<u>\$169.52</u> <u>\$179.22</u>	<u>\$169.52</u> <u>\$188.45</u>	2.99	
8	<u>\$251.49</u> <u>\$265.87</u>	<u>\$253.24</u> <u>\$279.57</u>	<u>\$301.79</u> <u>\$319.04</u>	<u>\$301.79</u> <u>\$335.48</u>	2.99	
10	<u>\$393.37</u> <u>\$415.86</u>	<u>\$396.11</u> <u>\$437.28</u>	<u>\$472.04</u> <u>\$499.03</u>	<u>\$472.04</u> <u>\$524.74</u>	2.99	
12	<u>\$629.19</u> <u>\$665.16</u>	<u>\$633.57</u> <u>\$699.43</u>	<u>\$755.03</u> <u>\$798.19</u>	<u>\$755.03</u> <u>\$839.32</u>	2.99	

Where such fire service is provided, the monthly rate shall include usage of up to a maximum of 2.99 units of water per month. The 2.99 units of allowable water use is for incidental water use for monthly leakage and system testing and is the maximum amount allowed in a single month. In any month where the total consumption is in excess of the amount shown above, the rate for water consumed shall be as noted below.

Fire Protection Service - Rate per CCF				
Range in CCF (100 cubic feet)	Rate per CCF Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates Commencing			
	4/1/17	1/1/19	1/1/19	1/1/20
For each CCF of water consumption All CCF— Inside City	\$3.960	\$3.960	\$4.752	\$4.752
All CCF—Outside City	\$4.752	\$4.752		

If the Water use in excess of the maximum monthly allowable amount was used in extinguishing fires of incendiary or accidental origin and the customer at the location where the use occurs gives written notice to the Division within ten days from the time of such fire the customer shall pay only for actual water used at the rate noted above. If the Division is not notified the Division will conclude that water is being used for purposes other than extinguishing fires and charge the additional fee noted below of 12 times the monthly rate.

Whenever water from the Division is available on a premise through a service being charged the rate for fire protection only and is used for purposes other than extinguishing fires of incendiary or accidental origin including ongoing leakage of the fire service line and the amount of water used is in excess of the amount shown in the table above, 12 times the ready to serve charge for the specific service in question shall be the monthly minimum charge and the charge for water consumed shall be as noted in the “Fire Protection Service – Rate per CCF” table above. Waivers may be granted from the assessment of the 12 times the ready to serve charge for leaks or other accidental use upon written request with all supporting documentation but the charge for water consumed shall not be waived.

Nonpayment of invoices related to the construction of or monthly use of a fire service will result in the service being turned off and notification of the appropriate fire official who may then disallow occupancy of the premise.

Unauthorized use of water through a detector check meter more than once per calendar year may be cause for installation of a turbine meter assembly, UL/FM approval for fire service assemblies at the expense of the customer. Within the City of Tacoma, whenever water is used for purposes other than extinguishing fires, the amount of water used may be subject to the appropriate sanitary sewer charge as defined in TMC 12.08, in addition to the rates noted above and assessment of the 12 times the ready to serve charge.

Should the unauthorized use continue, including leakage in excess of the maximum amount of water allowed, the service will be considered as other than standby fire protection and be billed in accordance with the type of use pursuant to this section, and shall be subject to payment of the applicable SDC pursuant to TMC 12.10.310. Refusal to pay for the installation of the fire line meter and/or the SDC shall result in termination of service pursuant to TMC 12.10.130.

When a customer desires a fire service for the protection of a premises and the domestic water for said premises is provided from another source, the applicable single-family residential, multi-family residential, or commercial/industrial rates shall apply for the requested fire protection service inside and outside the City, respectively. When any outlet for fire protection purposes is installed on a residential, commercial or industrial service, no rebate will be allowed for water used for extinguishing a fire.

F. 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.

G. 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.

1. 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.

2. 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.

3. 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.

<u>Pulp Mill</u>		
Billing Components	<u>Rate Effective Dates Commencing</u>	
	<u>4/1/17</u>	<u>1/1/19</u>
Distribution Charge per Month	<u>\$77,201.64</u>	<u>\$82,296.95</u>
Supply Charge/CCF	<u>\$0.7620256</u>	<u>\$0.7148458</u>
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	<u>\$1.666</u>	<u>\$1.784</u>

4. 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.

B. 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.

B. 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.

C. 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.

D. 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
Andrain	Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.
Curran Road	Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.

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

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