



## ORDINANCE NO. 28711

1 AN ORDINANCE relating to the Department of Public Utilities, Water Division,  
2 (d.b.a. Tacoma Water); amending Chapter 12.10 of the Municipal Code,  
3 relating to Water - Regulations and Rates, for two rate adjustments,  
4 effective January 1, 2021, and January 1, 2022.

5 WHEREAS the City of Tacoma, Department of Public Utilities, Water  
6 Division (d.b.a. "Tacoma Water"), has requested proposed changes for  
7 Chapter 12.10 ("Water - Regulations and Rates") in Title 12 ("Utilities") of the  
8 Tacoma Municipal Code ("TMC"), for water rate adjustments effective  
9 January 1, 2021, and January 1, 2022, and

10 WHEREAS Tacoma Water serves over 300,000 customers in the greater  
11 Tacoma metropolitan area, and

12 WHEREAS in 2019, Tacoma Water delivered approximately 50 million  
13 gallons a day and generated about \$90 million in water sales, and

14 WHEREAS, while overall water consumption has remained steady,  
15 ongoing costs to maintain the utility have increased, and Tacoma Water is  
16 proposing annual rate adjustments of 1.5 percent for 2021, and 2 percent for  
17 2022 to meet these ongoing needs, and

18 WHEREAS during the development of this proposal, Tacoma Water  
19 conducted a revenue requirement and rate-design that incorporates the  
20 2021-2022 budget request, and

21 WHEREAS in preparation for this request, Tacoma Water sought  
22 input from customers and members of the public through various meetings  
23 such as: franchise city council meetings, neighborhood council meetings,  
24 Public Utility Board ("PUB") study sessions, a Government Performance and  
25 Finance Committee meeting, a City Council and PUB joint study session,  
26



1 and a public hearing, as well as communications being distributed through  
2 bill inserts, mailings, the Tacoma Water website, and social media, and

3 WHEREAS based on customer research on affordability, many of  
4 Tacoma Water's customers are able to afford low, stable rate adjustments,  
5 however, there are customers that are more negatively impacted by rate  
6 increases, therefore this proposal also includes an amendment to  
7 TMC 12.10.400(h) which provides increases to Tacoma Water's assistance  
8 programs, providing larger bill credits and discounts to customers currently in  
9 the program, as well as expanding eligibility, and which is effective January 1,  
10 2021, and

11 WHEREAS Tacoma Water's revenue requirement analysis for the  
12 twenty-four month budget period from January 1, 2021, to December 31,  
13 2022, indicates a revenue shortfall of approximately \$4.8 million at current  
14 rates, due to general inflationary increases for expenses such as personnel,  
15 as well as increases for assessments including additional support for low-  
16 income programs, and

17 WHEREAS this proposal is in alignment with industry ratemaking  
18 standards and best practices, as well as the PUB's Strategic Directives of  
19 Financial Sustainability (SD-2) and Rates (SD-3), and also supports Tacoma  
20 Water's Long-Range Financial Plan, and

21 WHEREAS, pursuant to Tacoma City Charter Section 4.11, revisions  
22 to Tacoma Water rates and regulations require approval by the Public Utility  
23 Board and City Council, and  
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WHEREAS the Public Utility Board approved the proposed amendments at a special meeting held on November 6, 2020; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That Chapter 12.10 of the Tacoma Municipal Code is hereby amended as set forth in the attached Exhibit "A."

Section 2. That the water rate adjustments are effective January 1, 2021, and January 1, 2022, and the amendment to TMC 12.10.400(h) is effective January 1, 2021.

Section 3. That the City Clerk, in consultation with the City Attorney, is authorized to make necessary corrections to this ordinance, including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

Passed \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:  
  
\_\_\_\_\_  
City Clerk

Approved as to form:  
  
\_\_\_\_\_  
Chief Deputy City Attorney

Requested by Public Utility Board  
Amended Resolution No. U-11213

## 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.
- 12.10.302 System capacity flow testing.
- 12.10.303 *Repealed.*
- 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.**

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 from the customers, “Residential Service,” “Commercial and Industrial – General Service,” and “Commercial and Industrial – Large Volume Service” rate categories, following the rate schedules below:

<b>Monthly Hydrant Service Fee</b>
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	<u>Rate Effective Dates</u>	
	<u>1/1/2019</u>	<u>1/1/2020</u>
<u>Inside City of Tacoma</u>	<u>\$2.71</u>	<u>\$2.90</u>
<u>Outside City of Tacoma</u>	<u>\$3.48</u>	<u>\$3.75</u>
<u>Monthly Hydrant Service Fee</u>		
	<u>Rate Effective Dates</u>	
	<u>1/1/2021</u>	<u>1/1/2022</u>
<u>Inside City of Tacoma</u>	<u>\$2.94</u>	<u>\$3.00</u>
<u>Outside City of Tacoma</u>	<u>\$3.81</u>	<u>\$3.88</u>

The 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.

### **12.10.302 System capacity flow testing.**

To determine the capacity of a water system at a particular location for the purpose of a supply for automatic fire sprinkler systems or for other reasons, the Division can conduct a fire flow test using two (2) or more fire hydrants. The fire flow test shall be conducted by the Division upon request and after payment of a fee in the amount of \$350. The fee shall cover the cost of performing the flow test and any necessary system cleanup created by the increased water velocities during the test.

### **12.10.305 Fire hydrant use (non-fire fighting).**

When water service is supplied through the use of a fire hydrant, other than for fire fighting, the proposed use must be disclosed and a permit must be obtained from the Division authorizing the hydrant use. A charge for all costs associated with hydrant and water usage shall be collected by the Division. A fire hydrant meter or a water service and meter may be required under certain circumstances as determined by the Division.

The use of the Division's hydrant without a current permit, using a restricted hydrant or failing to conform to the Division's hydrant operating procedures will result in a penalty of \$1,000 in addition to all other hydrant use charges. Refusal to pay the penalties and charges may be cause for the Division to refuse future hydrant use by the violator and/or discontinue service to the benefited premises.

Persons using a fire hydrant will be responsible for all damages to Division facilities and/or other private facilities that may result from the use of said hydrant. If the person refuses to pay the cost for all damages associated with fire hydrant use, the Division may refuse future service to the customer and/or discontinue water service to the benefited premises.

Applications for fire hydrant use for periods greater than six consecutive months for the purpose of supplying water to a business may require the business to purchase a water service connection of adequate size to accommodate the proposed water usage as determined by the Division. Water service construction charges, SDC, and main charges shall be as specified in TMC 12.10.250, 12.10.310, and 12.10.315.

Fire hydrant use permits in Category 1 and 2 are good for a maximum of one year or until the backflow protection documentation expires, whichever comes first. Upon expiration a new permit application will be required and a new permit fee is due. Hydrant Permit charges will be as follows:

**HYDRANT USE CATEGORY AND FEE SCHEDULE**

Category	Fee
<b>Category #1</b> ** Fixed (Single) Site Construction Project	Permit Fee \$100 Meter Deposit for Hydrant \$1,000* Permittee is required to submit meter reads on a monthly basis. Monthly Water Use Charge at the Inside/Outside Commercial Rate plus the Ready to Serve Charge for a 2-Inch Meter Penalty for Unauthorized Use \$1,000
*Deposit to be refunded by the Division after return of the meter and appurtenances. All costs for hydrant and/or meter repairs/replacement caused by improper operation or theft of said equipment shall be deducted from the deposit. Refund of deposit will be initiated after payment of closing/final water bill. Costs exceeding the deposit amount will be billed to customer. ** Subcontractor would be allowed to use same permit as general contractor provided subcontractor meets all cross-connection requirements and name is disclosed at issuance of permit.	
<b>Category #2</b> *Multiple-Site Hydrant Use (Approved Hydrant Locations)	Permit Fee \$100 Monthly Water Use Charge at the Inside/Outside Commercial Rate (based on estimated consumption**) plus the Ready to Serve Charge for a 2-inch Meter Penalty for Unauthorized Use \$1,000
*Subcontractor would be allowed to use same permit as general contractor provided subcontractor meets all cross-connection requirements and name disclosed at issuance of permit. **Both general and subcontractors are required to submit a monthly log sheet of estimated water consumption per truck	
<b>Category #3</b>	
Short-Term (one day and minimal) Use	\$50 per truck per day* Penalty for Unauthorized Use \$1,000
*Approved hydrant only	

A Division-approved backflow protection assembly shall be installed by the person requesting the use of a fire hydrant. The assembly shall be accompanied by a current backflow assembly test report. The test report shall remain on the site for the duration of the hydrant use. The Division reserves the right to terminate any hydrant permit at any time for security and/or water quality control reasons.

**12.10.310 System development charge (“SDC”).**

A. A system development charge (“SDC”) shall be levied for each new water service connection to the City water system, for a service upgrade requiring a larger meter, or for any existing service with 3-inch and larger meters that exceeds 150 percent of their highest maximum annual daily average water use. The SDC fee is based on an equitable share of the cost of the entire existing water system and future facilities necessary to accommodate projected growth. This fee is established pursuant to RCW 35.92.025, the City Charter, and this chapter. SDCs are considered contributions for or in aid to construction, and shall be accounted for accordingly. Customer water consumption amounts on and after May 9, 1999, the original effective date of Ordinance No. 26408, will be examined to determine whether additional SDC amount is owed to the Department.

B. For retail meters 5/8-inch through 2-inches, the charge will be based on customer class and meter size.

<b>System Development Charges – 2” Meter Size or Smaller</b>				
<b>Meter Size (Inches)</b>	<b>Residential</b>		<b>Commercial &amp; Other</b>	
	<b>Inside City</b>	<b>Outside City</b>	<b>Inside City</b>	<b>Outside City</b>
	<b>Effective Date</b>			
	<b>1/1/2020</b>	<b>1/1/2020</b>	<b>1/1/2020</b>	<b>1/1/2020</b>
5/8	\$809	\$970	\$1,061	\$1,273
3/4	\$1,213	\$1,456	\$1,592	\$1,910
1	\$2,022	\$2,426	\$2,653	\$3,183
1.5	\$4,043	\$4,852	\$5,306	\$6,367
2	\$6,469	\$7,763	\$8,489	\$10,187

The SDC for a multiple family dwelling unit arrangement to be served by a single meter shall be calculated by taking the number of units in the premise and multiplying by 60 percent of the SDC for a single-family dwelling (5/8-inch meter) . If said premise chooses in the future to separately meter each premise the additional 40 percent of the SDC for a single-family dwelling (5/8-inch meter) shall be due and payable at the time of application for services.

For meters 3-inches and larger, estimates of anticipated average day and peak day water use will be determined by the Division. Peak day is defined as the maximum 24-hour use during summer months of June through, and including, September.

<b>System Development Charges – 3” Meter Size or Larger</b>		
<b>Cost per Gallon</b>	<b>Inside City of Tacoma</b>	<b>Outside City of Tacoma</b>
	<b>Effective Date</b>	
	<b>1/1/2020</b>	<b>1/1/2020</b>
Average Day	\$2.09	\$2.51
Peak Day	\$2.09	\$2.51

The SDC will be the sum of the average day use multiplied by the average day cost/gallon, and the peak day use minus average day use multiplied by the peak day cost/gallon.

As of April 23, 2001, the SDC paid for meters 3-inches and larger will be adjusted annually based on actual usage. If usage is greater than 110 percent of the anticipated average or peak day use during a 12-month period of time, an additional SDC will be charged, using the same methodology for calculating average day and peak day water use and multiplying by the respective SDC cost per gallon in effect at the time of adjustment. This requirement for an additional SDC may be waived upon satisfactory demonstration by the customer that the increased water use was temporary in nature and will return to the originally anticipated level.

**C. SDC Exemptions:**

1. New water service connections dedicated exclusively for fire protection purposes shall be exempt from payment of the SDC. The conversion of a dedicated fire service to a service for use other than exclusively for fire protection shall require the payment of the SDC as provided for in subsection B above.
2. The Division requires that all new single family dwelling residential combination domestic/fire sprinkler service and meters be served by a 1-inch service and 3/4-inch meter. If a larger size meter is required for fire protection the customer must install separate fire service and domestic services. The customer is required to pay all fees to construct said 1-inch service and 3/4-inch meter and all applicable main charges. When such use is documented through the plan review process, the SDC for a 5/8-inch meter will apply. The monthly customer charge will be at the standard charge for a 3/4-inch meter as set forth in TMC 12.10.400.
3. If a residential customer has an existing 3/4-inch x 5/8-inch service and meter an exchange to a 3/4-inch meter will be allowed if the customer’s fire protection engineer determines it will provide adequate flow. All applicable fees will apply. If flow tests after the meter exchange show inadequate flow the customer will be required to pay the additional fees to retire the 3/4” service and install a new 1” service. Residential customers requesting an upgrade to an existing meter to a 3/4-inch meter for a combination domestic/fire sprinkler service will be exempt from payment of the additional SDC when such use is approved through the plan review process. The monthly customer charge will be at the standard charge for a 3/4-inch meter as set forth in TMC 12.10.400.

4. Customers who are requesting a separate water service connection and are being provided with water service by way of another Division customer (i.e., multi-premises connection), shall be exempt from payment of the SDC if:

Billing record exists showing multi-premise rate for each premise on meter.

All premises served by meter of record were constructed prior to October 7, 1991.

D. Existing Facilities:

1. Multiple dwelling unit arrangements currently being served by a single meter shall be exempt from payment of the SDC when changing to separate water service connections for each unit if the original meter was installed prior to October 7, 1991. If the existing meter was installed after October 7, 1991, the customer will be required to pay the 40 percent differential for each individual meter installed as noted in B above.

E. Credit policy for retail customers previously or currently metered:

1. When a request or requirement for a larger meter is made, an SDC credit for the existing meter will be made. The credit for meters up to 2-inches will be the current published SDC amount using the rate in place prior to the requested or required up-sizing. For meters 3-inches and larger, the credit would be calculated based on 150 percent of the highest maximum annual daily average water use derived from billing records. If billing records are not available for a specific meter, the SDC credit calculation will be based on a system-wide use data for that size meter.

2. For situations where meters 3-inches or larger exist and water use will increase, but no change in the meter is required, an SDC will not be required unless the projected use is more than 150 percent of historical use. If the projected use exceeds the 150 percent historical use quantity, an SDC will be calculated for the quantity of water in excess of the 150 percent figure. Prior written commitments to deliver a specific quantity of water, if greater than 150 percent of historical use, will be honored.

3. Credit shall be given for inactive or previously removed meters that can be verified by Division records. The credit will be determined as stated in subsection E.1 above.

Multiple dwelling unit arrangements – Credit for existing multiple dwelling unit meters shall be calculated at 60 percent of the applicable 5/8-inch meter rate per unit and applied to the required SDC if previously served by a single meter.

4. Credits as computed will be subtracted from the determined SDC amount. If an available credit exceeds the SDC amount, the balance shall remain with the parcel previously receiving water service. No refunds shall be allowed for the amount of this credit.

5. All SDC credits are non-transferable unless parcels are combined to facilitate redevelopment.

6. This section is not applicable to the Pulp Mill's existing services.

F. For wholesale meters, as sized by the Division, the SDC will be determined based on the customer's anticipated water use.

1. Estimates of anticipated average day use and peak day water use will be submitted to and approved by the Division. Peak day is defined as the maximum 24-hour use during summer months of June through, and including, September. The average and peak day SDC costs are determined by the charges set forth in the Outside City of Tacoma column of the System Development Charges table for 3" meter size or larger of this section.

The SDC will be the sum of the average day use multiplied by the average day cost/gallon and the peak day use minus average day multiplied by the peak day cost/gallon.

The SDC, as of the effective date of this ordinance, will be adjusted annually based on actual usage. If usage is greater than 110 percent of the anticipated average or peak day use during a 12-month period of time, an additional SDC may be charged using the same methodology for calculating average day and peak day water use and multiplying by the respective SDC cost per gallon in effect at the time of adjustment. This requirement for an additional SDC may be waived upon satisfactory demonstration by the customer that the increased water use was temporary in nature and that water use will return to the originally anticipated level.

2. For situations where an existing wholesale customer is increasing its purchase of water, SDC credit for existing service will be based on either maximum historic use or prior written commitments to deliver a specific quantity of water, whichever is greater.

G. SDCs for meters 2-inches and smaller are payable in full at the time the meter installation is requested. Time payments will be allowed for SDCs for meters 3-inches and larger, for up to ten years, at the discretion of the customer, as follows:

1. When a down payment of 20 percent or more is initially paid, the Division will accept annual payments, with interest, on the unpaid balance calculated using the then current prime rate of interest less 2 percent.



2. When a down payment of at least 10 percent, but less than 20 percent, is initially paid, the Division will accept annual payments, with interest, on the unpaid balance calculated using the then current prime rate of interest.
3. The time payment agreements shall provide that this obligation constitutes a lien on the benefited premises and that the City has the right to terminate water service for any nonpayment of the amounts due on the outstanding balance. In addition, unless the customer is a financially stable public entity, the customer shall be required to provide security such as a financial guarantee bond to guarantee payment of the SDC or make incremental prepayments of the SDC plus interest on the balance of the outstanding total amount of the SDC.

H. Rate Adder to Recover Capital Costs Not Covered by the SDC. In addition to paying the SDC set forth in this section, a customer who proposes to use water for a new or enlarged power plant, and who does not use best available water conservation technology (BAWCT), shall be required to pay, in addition to the applicable water rate, an adder to such rate in accordance with the Division's Customer Service Policy for New Power Plants. The adder shall be calculated to recover over a period of 20 years a portion of the capital costs that are not covered by the SDC for such customer. This present value of the adder (spread over 20 years) will be equivalent to an SDC on that portion of the customer's water consumption that is in excess of the amount of water the customer would have consumed had BAWCT been used. Said customers shall also be required to enter into a water service agreement with the Division, and such agreement shall be submitted to the Public Utility Board for approval.

**12.10.315 Water main charge.**

Where all or a portion of the premises to be served has not been previously assessed or contributed its share towards the cost of installing a permanent distribution main to serve such premises, or the property does not abut a distribution water main, water service shall be provided upon payment of a water main charge as provided for in this section, in addition to a water service construction charge, in accordance with TMC 12.10.250 and the SDC in accordance with TMC 12.10.310.

If the main is a temporary main and is not acceptable for meeting the water requirements of the customer, the service will be installed and connected to the nearest water main that is acceptable in accordance with TMC 12.10.350, Water main charge - Premises not abutting a water main. If the temporary main is a supply or transmission pipeline, the water service will be installed in accordance with the Customer Service Policies (Direct Service From Supply and Transmission Pipelines).

Credit shall be given for the portion of the property which has been previously assessed or has contributed its share toward the cost of installing a permanent water main. Water main charge shall be based on the frontage of the property served, as determined by the Division, in accordance with the following schedule and subject to the following terms and conditions:

A. Residential Service.

The water main charge shall be based on the frontage of the property served. The minimum charge shall be based on 50 front feet and the maximum charge on 100 front feet.

<b>Commencing 1/1/2007</b>
\$50/per front foot

B. Commercial Service.

Where the property is zoned for the same, the water main charge shall be based on the entire frontage of the property served. The minimum charge shall be based on 50 front feet.

<b>Commencing 1/1/2007</b>
\$50/per front foot

C. Industrial Service.

Where the property is zoned for the same, the water main charge shall be based on the entire frontage of the property served. The minimum charge shall be based on 50 front feet.

<b>Commencing 1/1/2007</b>
\$55/per front foot

D. Water main charges for services abutting a permanent main shall be considered revenue of the Division.

The water main charge herein above provided for shall be credited to and considered as a benefit to the specific property served by said connection. Said property so benefited shall be described and recorded as a part of the Division's permanent records pertaining thereto.

### **12.10.350 Premises not abutting a permanent water main.**

Where the premises to be served is not abutting a permanent water main (as described in the Customer Services Policies) and said premises owner has not previously paid a water main charge, the water service connection will be constructed by the Division to the nearest available temporary or permanent water main that is acceptable for meeting the water requirements of the customer upon application and payment of a temporary water main charge as provided for in TMC 12.10.315 in addition to a service construction charge, in accordance with TMC 12.10.250 and the SDC in accordance with TMC 12.10.310. The water main charge shall be paid to the Division in accordance with and subject to the same terms and conditions as detailed in TMC 12.10.315 above.

All water main charges received where no main abuts subject parcel shall be deposited by the City in the Water Main Deposit Fund and shall be credited to and considered as a benefit to the specific property served by said connection. The property so benefited shall be legally described and recorded as part of the Division's permanent records pertaining thereto.

When a public road is improved or resurfaced by a person where there is currently no water main or said public road has a temporary water main as defined in the Customer Service Policies, it shall be the person's responsibility to extend the water main/system to the extent of the road improvements or to a point that meets the approval of the Division. Said water main/system may be extended using the private contract process, TMC 12.10.200, or by the LID process as set forth in RCW 35.44, and Division standards.

If a permanent water main exists or is being constructed between the existing service and the specific benefited property, said service may be relocated to the permanent main at a point closer to the benefited property at no charge, provided the owner reroutes its property-side water pipe between the new meter location and the property.

Upon the installation of permanent mains, the main charge collected by the City shall be applied toward the payment for said mains for the benefit of the properties in accordance with Division records. The temporary water service will be relocated by the Division to the permanent main abutting the benefited property at no charge. The owner must reroute its property-side water pipe between the new meter location and the property and make the connection. If the property owner does not agree to relocate its property-side water pipe at the time of main installation and requests a service relocation at a later date, the work will be done at the expense of the property owner.

### **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, and public fire protection fees, where applicable. The standard charge for wholesale shall consist of a monthly ready to serve charge based on contracted peak capacity together with a 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.

#### **A. Standard charges:**

1. The monthly ready to serve charge shall be calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies in accordance with the following schedule for residential, commercial/industrial, and commercial/industrial large volume.

<b>Residential, Commercial &amp; Large Volume — Ready to Serve Charge</b>
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Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
5/8	\$24.76	\$24.95	\$29.94	\$30.21
3/4	\$35.79	\$35.98	\$43.18	\$43.45
1	\$57.84	\$58.03	\$69.64	\$69.91
1.5	\$112.96	\$113.15	\$135.78	\$136.05
2	\$179.11	\$179.30	\$215.16	\$215.43
3	\$333.46	\$333.65	\$400.38	\$400.65
4	\$553.96	\$554.15	\$664.98	\$665.25
6	\$1,105.21	\$1,105.40	\$1,326.48	\$1,326.75
8	\$1,766.71	\$1,766.90	\$2,120.28	\$2,120.55
10	\$2,538.46	\$2,538.65	\$3,046.38	\$3,046.65
12	\$3,723.65	\$3,723.84	\$4,468.61	\$4,468.88

<u>Residential, Commercial &amp; Large Volume – Ready to Serve Charge</u>				
<u>Meter Size (Inches)</u>	<u>Inside City of Tacoma</u>		<u>Outside City of Tacoma</u>	
	<u>Rate Effective Dates</u>			
	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>1/1/2021</u>	<u>1/1/2022</u>
<u>5/8</u>	<u>\$25.32</u>	<u>\$25.83</u>	<u>\$30.67</u>	<u>\$31.28</u>
<u>3/4</u>	<u>\$36.51</u>	<u>\$37.25</u>	<u>\$44.09</u>	<u>\$44.98</u>
<u>1</u>	<u>\$58.89</u>	<u>\$60.08</u>	<u>\$70.95</u>	<u>\$72.38</u>
<u>1.5</u>	<u>\$114.84</u>	<u>\$117.15</u>	<u>\$138.09</u>	<u>\$140.86</u>
<u>2</u>	<u>\$181.98</u>	<u>\$185.64</u>	<u>\$218.66</u>	<u>\$223.05</u>
<u>3</u>	<u>\$338.64</u>	<u>\$345.45</u>	<u>\$406.65</u>	<u>\$414.82</u>
<u>4</u>	<u>\$562.44</u>	<u>\$573.75</u>	<u>\$675.21</u>	<u>\$688.78</u>
<u>6</u>	<u>\$1,121.94</u>	<u>\$1,144.50</u>	<u>\$1,346.61</u>	<u>\$1,373.68</u>
<u>8</u>	<u>\$1,793.34</u>	<u>\$1,829.40</u>	<u>\$2,152.29</u>	<u>\$2,195.56</u>
<u>10</u>	<u>\$2,576.64</u>	<u>\$2,628.45</u>	<u>\$3,092.25</u>	<u>\$3,154.42</u>
<u>12</u>	<u>\$3,779.57</u>	<u>\$3,855.56</u>	<u>\$4,535.77</u>	<u>\$4,626.95</u>

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

<b>Parks and Irrigation— Ready to Serve Charge</b>				
<b>Meter Size (Inches)</b>	<b>Inside City of Tacoma</b>		<b>Outside City of Tacoma</b>	
	<b>Rate Effective Dates</b>			
	<b>1/1/2019</b>	<b>1/1/2020</b>	<b>1/1/2019</b>	<b>1/1/2020</b>
5/8	\$11.03	\$7.35	\$13.23	\$8.82
3/4	\$16.54	\$11.03	\$19.85	\$13.23
1	\$27.57	\$18.38	\$33.08	\$22.05
1.5	\$55.13	\$36.75	\$66.15	\$44.10
2	\$88.20	\$58.80	\$105.84	\$70.56
3	\$165.38	\$110.25	\$198.45	\$132.30
4	\$275.63	\$183.75	\$330.75	\$220.50
6	\$551.25	\$367.50	\$661.50	\$441.00
8	\$882.00	\$588.00	\$1,058.40	\$705.60
10	\$1,267.88	\$845.25	\$1,521.45	\$1,014.30
12	\$1,860.47	\$1,240.31	\$2,232.57	\$1,488.38

<b>Parks and Irrigation – Ready to Serve Charge</b>				
<b>Meter Size (Inches)</b>	<b>Inside City of Tacoma</b>		<b>Outside City of Tacoma</b>	
	<b>Rate Effective Dates</b>			
	<b>1/1/2021</b>	<b>1/1/2022</b>	<b>1/1/2021</b>	<b>1/1/2022</b>
5/8	\$3.68	\$0.00	\$4.42	\$0.00
3/4	\$5.51	\$0.00	\$6.61	\$0.00
1	\$9.19	\$0.00	\$11.03	\$0.00
1.5	\$18.38	\$0.00	\$22.06	\$0.00
2	\$29.40	\$0.00	\$35.28	\$0.00
3	\$55.13	\$0.00	\$66.16	\$0.00
4	\$91.88	\$0.00	\$110.26	\$0.00
6	\$183.75	\$0.00	\$220.50	\$0.00
8	\$294.00	\$0.00	\$352.80	\$0.00
10	\$422.63	\$0.00	\$507.16	\$0.00
12	\$620.16	\$0.00	\$744.19	\$0.00

The monthly ready to serve charge shall be in accordance with a wholesale customer's contracted peak capacity in MGD times the monthly rate.

<b>Wholesale—Ready to Serve Charge</b>		
Range in MGD (million gallons per day)	<b>Rate Effective Date</b>	
		<b>1/1/2020</b>
For each MGD of contracted peak capacity	\$1,276.20	
<b>Wholesale – Ready to Serve Charge</b>		
Range in MGD (million gallons per day)	<b>Rate Effective Dates</b>	
	<b>1/1/2021</b>	<b>1/1/2022</b>
For each MGD of contracted peak capacity	<u>\$2,584.40</u>	<u>\$2,636.09</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):

<b>Residential Service—Rate per CCF</b>				
Range in CCF (100 cubic feet)	<b>Inside City of Tacoma</b>		<b>Outside City of Tacoma</b>	
	<b>Rate Effective Dates</b>			
	<b>1/1/2019</b>	<b>1/1/2020</b>	<b>1/1/2019</b>	<b>1/1/2020</b>
Winter Tier: For each CCF of water consumption during the winter months of October through and including May	\$2.011	\$2.132	\$2.413	\$2.558
Summer Tier 1: For the first five CCF of water consumption per month during the summer months of June through and including September	\$2.011	\$2.132	\$2.413	\$2.558
Summer Tier 2: For each CCF of water consumption over five CCF during the summer months of June through and including September	\$2.514	\$2.665	\$3.016	\$3.198

<b>Residential Service – Rate per CCF</b>				
Range in CCF (100 cubic feet)	<b>Inside City of Tacoma</b>		<b>Outside City of Tacoma</b>	
	<b>Rate Effective Dates</b>			
	<b>1/1/2021</b>	<b>1/1/2022</b>	<b>1/1/2021</b>	<b>1/1/2022</b>
Winter Tier: For each CCF of water consumption during the winter months of October through and including May	<u>\$2.164</u>	<u>\$2.207</u>	<u>\$2.597</u>	<u>\$2.648</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>\$2.164</u>	<u>\$2.207</u>	<u>\$2.597</u>	<u>\$2.648</u>
Summer Tier 2: For each CCF of water consumption over five CCF during the summer months of June through and including September	<u>\$2.705</u>	<u>\$2.759</u>	<u>\$3.246</u>	<u>\$3.310</u>

<b>Commercial and Industrial—General Service—Rate per CCF</b>
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Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$2.209	\$2.298	\$2.651	\$2.758

<u>Commercial and Industrial – General Service – Rate per CCF</u>				
<u>Range in CCF (100 cubic feet)</u>	<u>Inside City of Tacoma</u>		<u>Outside City of Tacoma</u>	
	<u>Rate Effective Dates</u>			
	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>1/1/2021</u>	<u>1/1/2022</u>
<u>For each CCF of water consumption</u>	<u>\$2.333</u>	<u>\$2.379</u>	<u>\$2.800</u>	<u>\$2.855</u>

<b>Commercial and Industrial—Large Volume Service—Rate per CCF.</b>				
Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$1.784	\$1.787	\$2.141	\$2.144

<b>Commercial and Industrial – Large Volume Service – Rate per CCF *</b>				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2021	1/1/2022	1/1/2021	1/1/2022
For each CCF of water consumption	\$1.814	\$1.850	\$2.177	\$2.220
Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.				

<b>Parks and Irrigation Service—Rate per CCF</b>				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2019	1/1/2020	1/1/2019	1/1/2020
For each CCF of water consumption	\$3.739	\$3.998	\$4.487	\$4.798

<b>Parks and Irrigation Service – Rate per CCF</b>				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/2021	1/1/2022	1/1/2021	1/1/2022
For each CCF of water consumption	\$4.296	\$4.628	\$5.155	\$5.554

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. All wholesale contractual agreements with market-based pricing shall be approved by the Tacoma Public Utility Board and Tacoma City Council.

a. Constant Use Customer:

<b>Wholesale Constant Use Customer—Rate per CCF</b>	
Range in CCF (100 cubic feet)	Rate Effective Date
	1/1/2020
Per CCF for winter months (October—May)	\$1.797
Per CCF for summer months (June—September)	\$2.246

<u>Wholesale Constant Use Customer – Rate per CCF</u>		
<u>Range in CCF (100 cubic feet)</u>	<u>Rate Effective Dates</u>	
	<u>1/1/2021</u>	<u>1/1/2022</u>
<u>Per CCF for winter months (October – May)</u>	<u>\$1.335</u>	<u>\$1.362</u>
<u>Per CCF for summer months (June – September)</u>	<u>\$1.668</u>	<u>\$1.702</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:

<u>Wholesale Summer Season, Peaking – Rate per CCF</u>		
<u>Range in CCF (100 cubic feet)</u>	<u>Rate Effective Date</u>	
	<u>1/1/2020</u>	
<u>For each CCF of water consumption</u>	<u>\$3.369</u>	
<u>Wholesale Summer Season, Peaking – Rate per CCF</u>		
<u>Range in CCF (100 cubic feet)</u>	<u>Rate Effective Dates</u>	
	<u>1/1/2021</u>	<u>1/1/2022</u>
<u>For each CCF of water consumption</u>	<u>\$2.503</u>	<u>\$2.553</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.

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

- a. 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.
- b. 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.
- c. 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.

C. 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.

D. 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:

<b>Fire Protection Service—Ready to Serve Charge</b>					
<b>Meter Size (Inches)</b>	<b>Inside City of Tacoma</b>		<b>Outside City of Tacoma</b>		<b>Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF</b>
	<b>Rate Effective Dates</b>				
	<b>1/1/2019</b>	<b>1/1/2020</b>	<b>1/1/2019</b>	<b>1/1/2020</b>	
2	\$27.37	\$28.78	\$32.84	\$34.54	2.99
3	\$39.85	\$41.91	\$47.82	\$50.29	2.99
4	\$66.58	\$70.01	\$79.90	\$84.01	2.99
6	\$149.35	\$157.04	\$179.22	\$188.45	2.99
8	\$265.87	\$279.57	\$319.04	\$335.48	2.99
10	\$415.86	\$437.28	\$499.03	\$524.74	2.99
12	\$665.16	\$699.43	\$798.19	\$839.32	2.99

<b>Fire Protection Service – Ready to Serve Charge</b>					
<b>Meter Size (Inches)</b>	<b>Inside City of Tacoma</b>		<b>Outside City of Tacoma</b>		<b>Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF</b>
	<b>Rate Effective Dates</b>				
	<b>1/1/2021</b>	<b>1/1/2022</b>	<b>1/1/2021</b>	<b>1/1/2022</b>	
<u>2</u>	<u>\$29.21</u>	<u>\$29.79</u>	<u>\$35.05</u>	<u>\$35.75</u>	<u>2.99</u>
<u>3</u>	<u>\$42.54</u>	<u>\$43.39</u>	<u>\$51.05</u>	<u>\$52.07</u>	<u>2.99</u>
<u>4</u>	<u>\$71.06</u>	<u>\$72.48</u>	<u>\$85.27</u>	<u>\$86.98</u>	<u>2.99</u>
<u>6</u>	<u>\$159.40</u>	<u>\$162.59</u>	<u>\$191.28</u>	<u>\$195.11</u>	<u>2.99</u>
<u>8</u>	<u>\$283.76</u>	<u>\$289.44</u>	<u>\$340.51</u>	<u>\$347.33</u>	<u>2.99</u>
<u>10</u>	<u>\$443.84</u>	<u>\$452.72</u>	<u>\$532.61</u>	<u>\$543.26</u>	<u>2.99</u>
<u>12</u>	<u>\$709.92</u>	<u>\$724.12</u>	<u>\$851.90</u>	<u>\$868.94</u>	<u>2.99</u>

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.

<b>Fire Protection Service—Rate per CCF</b>				
<b>Range in CCF (100 cubic feet)</b>	<b>Inside City of Tacoma</b>		<b>Outside City of Tacoma</b>	
	<b>Rate Effective Dates</b>			
	<b>1/1/2019</b>	<b>1/1/2020</b>	<b>1/1/2019</b>	<b>1/1/2020</b>
<b>For each CCF of water consumption</b>	\$3.960	\$3.960	\$4.752	\$4.752

<u>Fire Protection Service – Rate per CCF</u>				
<u>Range in CCF (100 cubic feet)</u>	<u>Inside City of Tacoma</u>		<u>Outside City of Tacoma</u>	
	<u>Rate Effective Dates</u>			
	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>1/1/2021</u>	<u>1/1/2022</u>
<u>For each CCF of water consumption</u>	<u>\$3.960</u>	<u>\$3.960</u>	<u>\$4.752</u>	<u>\$4.752</u>

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.

E. 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>
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Billing Components	Rate Effective Dates	
	1/1/2019	1/1/2020
Distribution Charge per Month	\$82,296.95	\$84,354.37
Supply Charge/CCF	\$0.7620256	\$0.7810762
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.784	\$1.787

Pulp Mill		
Billing Components	Rate Effective Dates	
	1/1/2021	1/1/2022
Distribution Charge per Month	\$85,619.69	\$87,332.08
Supply Charge/CCF	\$0.7927923	\$0.8086481
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.814	\$1.850

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.

F. 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.

G. 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.

H. 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~~<sup>35</sup> 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.

I. 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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