

Tacoma Public Utilities Budget and Rates Process for 2021-2022

We presented our 2021-2022 budgets for approval to the Public Utility Board and Tacoma City Council in fall of 2020. Our proposals include rate adjustments for Tacoma Power and Tacoma Water.

The Tacoma City Council reviewed rate proposals for Environmental Services (Wastewater, Solid Waste, and Surface Water) after receiving recommendations from the Environmental Services Commission.



Power projected commercial rate adjustment

- Small General Business (B rate) Annual increase of 1.5% in 2021 and 2.0% in 2022
- Average monthly increase of \$2.21 in 2021 and \$2.99 in 2022.
- General Business (G rate) Annual increase of 1.5% in 2021 and 2.0% in 2022
- Average monthly increase of \$51.69 in 2021 and \$69.59 in 2022.



Drinking water projected commercial rate adjustment

- Commercial Overall 1.5% in 2021; 2.0% in 2022
- Fixed charge is 1.5% in 2021; 2.0% in 2022
- CCF (variable) rate is 1.5% in 2021; 2.0% in 2022
- Average monthly increase for customers inside the City of Tacoma of \$4.63 in 2021 and \$5.96 in 2022.
- Average monthly increase for customers outside the City of Tacoma of \$5.35 in 2021 and \$7.15 in 2022.
- Large Volume Commercial overall 1.5% in 2021; 2.0% in 2022
- Fixed charge is 1.5% in 2021; 2.0% in 2022
- CCF (variable) rate is 1.5% in 2021; 2.0% in 2022
- Average monthly increase for customers inside the City of Tacoma of \$286.04 in 2021 and \$383.06 in 2022.
- Average monthly increase for customers outside the City of Tacoma of \$350.66 in 2021 and \$457.08 in 2022.

“Monthly dollar impacts are more likely to deviate from average dollar impacts for commercial customers due to diverse usage levels.”



Surface water projected commercial rate

- 2021 – approximate 1.1% increase
- 2022 – approximate 1.2% increase



Wastewater projected commercial rate adjustment

- 2021 – approximate 2% increase
- 2022 – approximate 3% increase



Solid waste projected commercial rate adjustment

20 gallon – 300 gallon containers

- 2021 – approximate 0-5% increase
- 2022 – approximate 0-5% increase

Front load containers

- 2021 – approximate 0-1% increase
- 2022 – approximate 0-2% increase

Drop off boxes

- 2021 – approximate 0-5% increase
- 2022 – approximate 0-5% increase

Front load compactor containers

- 2021 – approximate 0-1% increase
- 2022 – approximate 0-2% increase

Drop off box compactor containers

- 2021 – approximate 5% increase
- 2022 – approximate 2-5%

Commercial recycling

- 2021 – approximate 2-5% increase
- 2022 – approximate 2-5% increase

These rates are preliminary and are subject to change.



Drivers for rate adjustments

We make decisions for the long-term benefit of the communities we serve. Managing our finances wisely now will ensure safe, reliable service for our customers and help us avoid large rate increases in the future.

As a not-for-profit, publicly owned utility, we want to ensure you get the most value and quality service you expect from us. Our rates cover the cost to provide you with safe, reliable services, maintain utility infrastructure, protect natural resources near our facilities, and invest in system improvements that make your services better. The rate adjustments in our budget projections will help cover inflation in our operating and capital expenses, revenue shortfalls, and increases in payment assistance for customers due to COVID-19.

These examples show factors and projects that help determine rates for each service.

Tacoma Power

- Renewal and replacement of existing infrastructure
- Technology projects and grid modernization
- Regulatory compliance to manage fish and analyze impacts of potential seismic activity
- Enhancement of cyber security measures
- Policy guidance on implementing small rate increases over time to avoid rate spikes (gradualism)

Tacoma Water

- Renewal and replacement of existing water infrastructure
- Technology projects
- Enhancement of cyber security measures
- Policy guidance on implementing small rate increases over time to avoid rate spikes (gradualism)

Environmental Services

- Policy guidance on implementing small rate increases over time to avoid rate spikes (gradualism)
- Renewal and replacement of existing wastewater and surface water infrastructure
- Regulatory compliance to ensure water quality standards are met and maintained

How we address equity when planning rates

We commit to achieving equity in our budgets by ensuring:

- We provide equitable delivery of services to residents and visitors
- Our workforce reflects the community we serve.
- We engage in purposeful community outreach.

How we manage costs and affordability

We know rates affect you. That is why we work hard to keep our costs low, which keeps rates more affordable for everyone in our community.

- Asset and project management – consideration of the right time for a capital project
- Workforce planning and development – review of open and unfilled positions, prioritization of critical hires
- Payment assistance programs – work to expand eligibility and increase available funds

Services/tools we provide for our business customers

- Complete list of utility resources for business customers - **MyTPU.org/Biz**
- Conservation — lowers your cost and good for the environment - **MyTPU.org/BizRebates**
- Zero-interest loans — support for efficient building improvement projects - **MyTPU.org/ZeroInterest**
- Payment assistance is available if you qualify - **MyTPU.org/Assistance**
- MyAccount for commercial accounts - **MyTPU.org/MyAccount**
- Business Solutions Office - **253-502-8606** or **BusinessSolutions@cityoftacoma.org**
- Property Manager tool
- Quarterly Business Email Newsletter

How the business community can get involved

- Read the budget proposals we post online.
- Attend our virtual public meetings and outreach events.
- Submit your comments through our online form.
- Subscribe to our email newsletter for businesses

Visit **MyTPU.org/BizRates** for details.

