

Municipal Code Changes

Continuity in Billing

Background

- Starting in 2019, Tacoma Water and WestRock began a one-year renewal cycle for contracted water service
- WestRock announced closure of the Tacoma Mill on August 1, 2023
- Usage began to significantly decline through September and October such that the existing meters were oversized and not providing accurate reads yet capacity still needed for fire protection.
- Tacoma Water and WestRock agreed to an administrative solution to establish a minimum daily flow rate for the balance of the contract expiring July 31, 2024 to account for meter issue
- Following contract expiration, Tacoma Water will be unable to bill WestRock appropriately since 20" meter size currently in use is not included in Code

Recommended TMC Changes

Establish 20" Meter Ready-to-Serve Charge & Minimum Flow Rate

Residential, Commercial & Large Volume - Ready to Serve Charge						
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		City of University Place	
	Rate Effective Dates					
	1/1/2023	1/1/2024	1/1/2023	1/1/2024	1/1/2023	1/1/2024
5/8	\$26.68	\$28.95	\$32.28	\$34.94	\$34.67	\$37.53
3/4	\$38.55	\$41.92	\$46.52	\$50.51	\$49.97	\$54.24
1	\$62.29	\$67.84	\$75.01	\$81.62	\$80.57	\$87.66
1.5	\$121.64	\$132.65	\$146.23	\$159.38	\$157.06	\$171.19
2	\$192.86	\$210.42	\$231.69	\$252.70	\$248.86	\$271.44
3	\$359.04	\$391.89	\$431.11	\$470.47	\$463.05	\$505.33
4	\$596.44	\$651.14	\$715.99	\$781.57	\$769.04	\$839.49
6	\$1,189.94	\$1,299.25	\$1,428.19	\$1,559.30	\$1,534.02	\$1,674.84
8	\$1,902.14	\$2,076.98	\$2,282.83	\$2,492.58	\$2,451.99	\$2,677.29
10	\$2,733.04	\$2,984.34	\$3,279.91	\$3,581.41	\$3,522.95	\$3,846.80
12	\$4,009.07	\$4,377.79	\$4,811.15	\$5,253.55	\$5,167.65	\$5,642.84
<u>20*</u>		<u>\$15,561.02</u>		<u>\$18,673.22</u>		<u>\$20,056.60</u>
* Customers who elect to receive service from the City through a 20" meter are subject to a minimum daily flow rate equivalent to 0.30 MGD, calculated monthly and assessed at the applicable Large Volume rate.						

Alternatives

- Engage in renewed contract negotiations in order to have an agreement in place by 8/1/2024
 - Unlikely feasible given time constraints
- WestRock may elect to install a smaller meter with an existing rate schedule
 - This option is available to them regardless of any action taken by the Board and Council

Next Steps

Governing Body	Date
Public Utility Board Study Session	April 10
Government Performance Finance Committee	April 23
Public Utility Board Meeting	April 24
Tacoma City Council (1 st Reading)	April 30
Tacoma City Council (2 nd Reading)	May 7

Questions

Appendix

Ready-to-Serve Charge Calculation

2024 20" Meter Monthly Ready-to-Serve Charge			Source
A	5/8" Max GPM:	20	AWWA M-1 Manual Table B-2
B	20" Max GPM:	12,000	AWWA M-1 Manual Table B-2
C	5/8" to 20" Equivalentents:	600	B/A
D	5/8" Ready-to-Serve Charge:	\$28.95	TMC 12.10.400.A.1
E	Hydrant Fee:	\$3.02	TMC 12.10.301
F	5/8" Meter Charge:	\$25.93	D-E
G	20" Meter Charge:	\$15,558.00	C*F
H	20" Ready-to-Serve Charge:	\$15,561.02	G+E

