

Tacoma Water Proposed Rate Increase Due to WestRock Closure

City of Tacoma customers

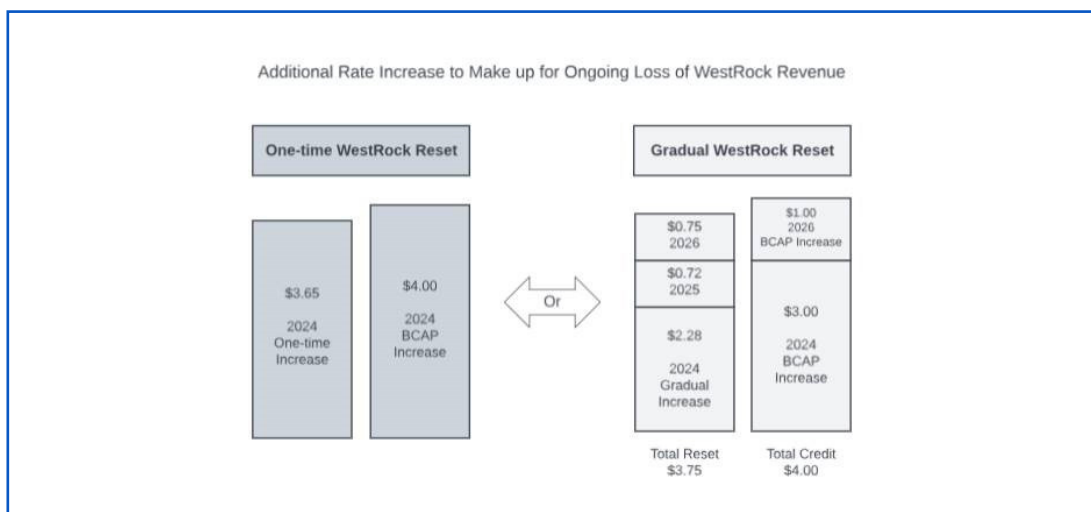
In August 2023, WestRock Company announced they would be closing their paper mill in Tacoma after nearly a century. WestRock was Tacoma Water's largest customer and their operations were a significant source of income for Tacoma Water. The pipes and water system used to provide that amount of water are a part of the overall system. The whole system needs to be maintained in order to continue providing the same supply of clean, reliable drinking water.

Why we are proposing a rate increase:

- WestRock Company was Tacoma Water's largest user, about 1/3 of overall use or the same amount used by 100,000 homes.
- Tacoma Water is a not-for-profit utility, charging only what is needed to cover our costs to provide service.
- While Tacoma Water is using cash reserves to mitigate the loss of revenue in the near term, we must make up for this on-going loss of income to maintain our system and provide clean, reliable drinking water.
- Operations will be affected by the loss of WestRock's consumption, requiring changes to the system to maintain water quality.
- Our staff is looking at ways we can reduce costs and increase revenue to help make up for this loss of income; however, WestRock's usage was so large, a rate increase is necessary to continue to provide the same level of service.

How this will affect City of Tacoma customers:

- If approved, the rate increase will add approximately \$2.28-3.65 more to average bills each month starting sometime in 2024.
- This is in addition to the previously approved rate increase that goes into effect in January 2024.
- The graphs below show the average monthly bill impact from both the previously approved and the proposed increases.



Our billing and payment resources:

- We will also increase the amount available through our Bill Credit Assistance Program for income-eligible households to help cover the proposed rate increase from the WestRock closure.
- We offer a 35% discount to eligible seniors and adults with disability income.
- Payment arrangements are available for past due balances.
- Our budget billing program allows customers to pay a monthly average based on the previous year's usage.
- More information about billing and payment resources is available at MyTPU.org/Assistance or by calling **253-502-8600**.

How the public process works:

- We are proposing a rate increase to our policymakers through a public process.
- Any rate increase must be approved by our Public Utility Board and Tacoma City Council.
- The public meeting schedule is available on our website at MyTPU.org/MillClosure.
- Customers and members of the public can attend in-person and comment during public meetings, submit comments online, attend meetings virtually, read our presentations and watch video recordings of past public meetings.