

Tacoma Water Proposed Rate Increase Due to WestRock Closure

Outside 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.

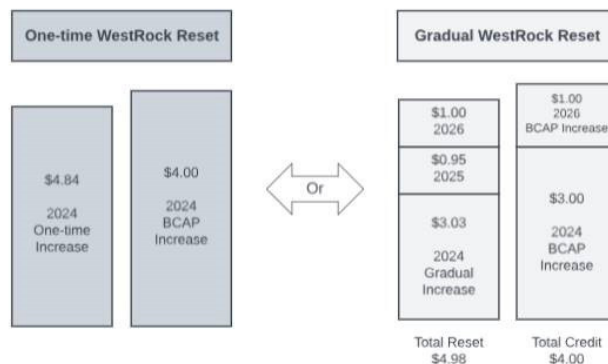
Why we are proposing a rate increase:

- 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 customers outside the City of Tacoma:

- If approved, the rate increase will add approximately \$3.03-4.84 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.

Additional Rate Increase to Make up for Ongoing Loss of WestRock Revenue



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.