

## ORDINANCE 1533

**AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO UTILITY RATES FOR THE CITY'S WATER, WASTEWATER, AND STORMWATER UTILITIES; REPEALING AND REPLACING SECTIONS 13.04.010, 13.04.020, 13.32.010, 13.32.015, 13.32.020, 13.32.025, 14.10.050, 13.04.013, 13.02.220, 13.02.240, 13.04.050, 13.04.080, and 14.10.020; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE**

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**WHEREAS**, the city operates three independent utilities as enterprise funds, which include the water utility, wastewater (sewer) utility, and stormwater utility; and

**WHEREAS**, it is necessary to adjust utility service rates and charges to meet the increasing cost of providing utility services; and

**WHEREAS**, the costs to provide the utility services are based on existing and future capital expenses, operating expenses, and maintenance expenses; and

**WHEREAS**, staff recommends adjusting rates on an annual basis, as necessary, to keep up with the changing costs to provide these services; and

**WHEREAS**, the last time the city adjusted utility rates was January 1, 2023 but the city intentionally decided to not adjust utility rates in 2021, 2022, and 2024, which had caused the city's utilities to lose ground due to cost of living increases and increases in capital project costs; and

**WHEREAS**, the city anticipated completing a utility rate study in 2024 with the support of Peninsula Financial Consulting that would accommodate for rate adjustments for the next six years but was unable to complete this study; and

**WHEREAS**, with multiple years of no rate adjustments, the city is positioning itself for significantly high rate increases in the near future to support the costs of operating the utilities, therefore, the city supports rate increase consistent across all three utilities based on previously recommended rate adjustments; and

**WHEREAS**, the city's existing eligibility levels for the existing low-income utility rate reduction are not current and the city desires to expand eligibility to customers; and

**WHEREAS**, this topic was presented to city council at their November 14, 2024, study session where an across-the-board rate increase was supported for wastewater at +6%, stormwater +14%, and water +20%.

**NOW THEREFORE,** The City Council of the City of Gig Harbor, Washington, do ordain as follows:

**Section 1.** Section 13.04.010 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**13.04.010 Water rates.**

Effective January 1, 2025, the monthly water service rates not including state and city taxes shall be set at the following amounts:

<b>Customer Class/Meter</b>	<b>Customer Base Charge  (per meter/ month)</b>	<b>Commodity Charge  (per ccf)</b>
Residential	\$25.48	\$3.32
Multiresidential		
5/8" & 3/4"	44.76	3.11
1"	61.61	3.11
1-1/2"	103.36	3.11
2"	153.65	3.11
3"	287.66	3.11
4"	438.56	3.11
Commercial/Schools		
5/8" & 3/4"	37.52	3.23
1"	49.57	3.23
1-1/2"	79.32	3.23
2"	115.16	3.23
3"	210.78	3.23
4"	318.43	3.23

**Section 2.** Section 13.04.020 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**13.04.020 Nonmetered residential uses.**

Effective January 1, 2025, the water service charge for each unmetered residential or multiple residential building shall be \$71.99.

**Section 3.** Section 13.32.010 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**13.32.010 Sewer rates.**

Effective January 1, 2025, the monthly sewer service rates not including state and city sales tax shall be set at the following amounts:

<b>Customer Class</b>	<b>Customer Base Charge (per month)</b>	<b>Commodity Charge (per ccf)</b>
Residential	\$44.80	\$5.51
Multifamily residential (per living unit)	34.48	5.53
Commercial/school	104.58	9.71
Dept. of Corrections	13,816.57	5.51

**Section 4.** Section 13.32.015 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**13.32.015 Sewer rates – Community systems.**

Effective January 1, 2025, the monthly sewer service rates for the Shorecrest community system shall be set at \$101.92 per month.

**Section 5.** Section 13.32.020 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**13.32.020 Nonmetered uses.**

Effective January 1, 2025, the monthly sewer service rates not including state and city sales tax for each unmetered residential, multiresidential, or commercial facility shall be as follows:

Nonmetered Customer Class	Monthly Charge
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Residential	\$78.18/unit
Multifamily residential	56.06/living unit
Commercial	191.97/billing unit

**Section 6.** Section 13.32.025 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**13.32.025 Sewer rates – Community systems using flow meters.**

Effective January 1, 2025, the monthly sewer service rates not including state and city sales tax for community systems basing billing on sewer flow meters shall be set at the following amounts:

Customer Class	Customer Base Charge (per month)	Commodity Charge (per ccf)
Residential	\$13.21 + \$29.49/unit	\$5.25
Multifamily residential	13.21 + 18.52/unit	5.25
Commercial	13.21 + 88.76/unit	9.24

**Section 7.** Section 14.10.050 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**14.10.050 Stormwater monthly service rates.**

In accordance with the basis for a rate structure set forth in GHMC 14.10.020, there is levied upon all developed real property within the boundaries of the utility the following monthly service rates which shall be collected from the owners of such properties:

Effective January 1, 2025, shall be \$ 17.86.

**Section 8.** Section 13.04.013 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:



**13.04.013 Senior citizen and persons with disabilities, low-income utility rate reduction and connection fee waiver/delay.**

- A. Definitions. For the purposes of this section, the following definitions shall apply:
1. "Senior Citizen" means a person aged 62 years or older (if married, either spouse may be 62 years or older) who:
    - a. Is a Gig Harbor water or sewer customer and has an account in their name.
  2. "Persons with disabilities" means there is no age limit for people with disabilities exemption, but an individual must be unable to work because of a verified disability (by way of a doctor's statement, Social Security Award letter or 80% or higher Veterans Administration award letter) who:
    - a. Is a Gig Harbor water or sewer customer and hand an account in their name.
  3. "Low Income" means the person has a monthly gross total combined household income (individual, spouse, and co-tenants) from all sources (taxable and non-taxable) that does not exceed the Pierce County Tax Exemption income guidelines.
- B. Rate Reduction. A low-income senior citizen or person with disabilities may pay a rate equal to 50 percent of the applicable water and/or sewer rate established by the city in GHMC 13.04.010 and 13.32.010, or any amendments thereto.
- C. Waiver/Delay of Connection Fees. A low-income senior citizen or person with disabilities may request a waiver of a connection fee to his or her property in the amount of 50 percent of the applicable water and/or sewer connection fee established in GHMC 13.04.080 and 13.32.060, or any amendments thereto. A low-income senior citizen or person with disabilities may request a delay in the city's collection of the connection fee, as reduced by this subsection, for a period of five years, as long as the eligibility requirements of this section are satisfied for each year.
- D. Eligibility Requirements. In order to obtain a rate reduction and/or waiver/delay of connection fees, a low-income senior citizen or person with disabilities shall:
1. File an affidavit with the finance department on an annual basis, and submit documentation requested by the finance department verifying the individual is eligible to receive the benefits of this section; and
  2. In the affidavit, provide the city with an unqualified promise to inform the city of any changes in the individual's financial condition that would disqualify them from the benefits of this section.

**Section 9.** Section 13.02.220 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

### **13.02.220 Turning on the water after it is shut off.**

It is unlawful for the owner or occupant of the premises to turn on the water, or suffer or cause it to be turned on, after it has been shut off or locked at the existing water meter by the city, regardless of the reason the water was shut off. A payment of \$25.00 shall be made to the city prior to turning the water back on.

**Section 10.** Section 13.02.240 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

### **13.02.240 Adjustment of excessive bills caused by defective equipment.**

When excessive registration is caused by broken or leaking water service pipes within or abutting upon the premises without the knowledge of the customer, an adjustment may be made upon written application only once during any 365-day period and only after repairs have been made by the owner and documented to the city. The basis for adjustment shall be the normal consumption under similar operating conditions.

**Section 11.** Section 13.04.050(B) of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

### **13.04.050 Billings – Delinquencies - Liens.**

#### **B. Delinquencies.**

1. Water service charges shall be deemed delinquent if not paid within 30 days following the billing date. Interest at the rate of eight percent per annum shall be charged on all delinquent service charges.
2. In the event any billing for water service or other service charge has not been paid within 60 days of billing, the city utility department shall mail a first delinquency/shut-off notice to the property owner and occupant if the record owner does not reside at the premises. The delinquency/shut-off notice shall provide the following: (1) payment for service is overdue and the total amount due and notice that a statutory lien will be imposed if the total amount due is not paid in full; (2) service will be suspended unless the total amount due is not paid in full within 10 days; (3) address and telephone number of the utility department, stating that the customer, or owner or occupant may contact the department if a dispute exists as to liability for the billing or the validity of lien; and (4) the city will charge a turn-on fee before service is resumed. The city shall follow the notice procedures and shut-off procedures as outlined in this section unless otherwise required by law. The customer shall be charged \$10.00 for this first notice.
3. If the customer has not settled the account within the time provided in the notice, a second notice which indicates service shall be discontinued

by the city the next day shall be posted by the city utility department at a reasonably visible location at the property site. The customer shall be charged \$15.00 for this second notice. If the total amount due is not paid in full within the time provided under the second notice, the city utility department shall shut off service. Payment for this second notice shall be made in one of the following methods:

- a. In person using cash, cashier's check, or bank card; or
- b. On the phone using a bank card; or
- c. From the city of Gig Harbor's website using a bank card.

**Section 12.** Section 13.04.080 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**13.04.080 Water system general facility charge.**

- A. The city shall charge the following general facilities charges for each metered domestic connection to connect to the water utility system:

Meter Size	Capacity Factor	General Facilities Charge (Inside City Limits)
3/4"	1.0	\$7,300.00
1"	1.67	12,191.00
1-1/2"	3.33	24,309.00
2"	5.33	38,909.00
Over 2"	Per AWWA Formula	Per City Formula

- B. Any remodel and/or use change shall pay the difference between the new use and/or size and the previous use and/or size. No refund shall be allowed for use and/or size reduction.
- C. The city shall charge a general facility charge for each connection to the water utility system that (1) does not require a metered domestic connection and (2) does require a fire suppression connection, such as hydrants or sprinklers, in the following amounts based on the use type:

<b>Use Type</b>	<b>General Facilities Charge (Inside City Limits)</b>
Residential use	\$7,300.00
Any other use	18,250.00

- D. The water system general facility charge for connections to properties located outside the city limits shall be charged at one and one-half times the rates for inside city limits.
- E. Each general facility charge shall be paid to the city at the time of building permit issuance. Where capacity is increased as outlined in Chapter 19.10 GHMC but no building permit is required, each general facility charge shall be paid at the time capacity is increased.

**Section 13.** Section 14.10.020 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following:

**14.10.020 Policy on rates and charges.**

- A. For each single-family dwelling, each accessory dwelling unit, each residential unit of a duplex, and each mobile/manufactured home on one parcel, the utility shall charge the number of equivalent billing units based on the following classification:
  - 1. Small residence (4,400 square feet or less of hard surface area) shall be one EBU.
  - 2. Medium residence (more than 4,400 square feet of hard surface area and less than 7,000 square feet of hard surface area) shall be 1.3 EBUs.
  - 3. Large residence (7,000 square feet or more of hard surface area) shall be 1.6 EBUs.
- B. Commercial buildings shall be granted a 10 percent rate reduction if all buildings on the property are shown to utilize a rainwater harvesting system in accordance with RCW 35.92.020(3).
- C. For all other developed parcels, including parcels with the mixed use of a residential use and any other use, the utility shall charge the number of equivalent billing units calculated on each parcel based on the amount of hard surface on each parcel divided by the definition of an equivalent billing unit identified in GHMC 14.10.010. Regardless of calculation of hard surface, a minimum of one equivalent billing unit shall be charged. Calculations that result in more than one equivalent billing unit shall be rounded to the nearest 0.1 EBU.

**Section 14. Severability.** If any section, sentence, clause or phrase of this ordinance should be held to be unconstitutional by a court of competent jurisdiction, such

invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

**Section 15. Correction of Errors.** The city clerk and codifiers of the ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

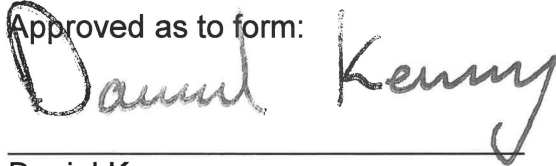
**Section 16. Effective Date.** This ordinance shall be in full force and take effect January 1, 2025, which is at least five (5) days after its publication of an approved summary consisting of the title.

**ADOPTED** by the Council of the City of Gig Harbor at a regular meeting thereof, held this 9th day of December, 2024.



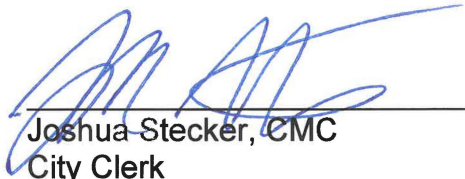
Mary K. Barber  
Mayor

Approved as to form:



Daniel Kenny  
City Attorney

Attest:



Joshua Stecker, CMC  
City Clerk