

ORDINANCE 1503

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 AND 13.32.010; REVISING SECTIONS 13.04.013 AND 14.10.050; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

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 raise 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, 2020 but the City intentionally decided to not adjust utility rates in 2021 or 2022 due to the COVID-19 pandemic; and

WHEREAS, the City anticipated completing a utility rate study in 2022 with the support of Peninsula Financial Consulting (PFC) that would accommodate for rate adjustments for the next six years but was unable to complete this study due to staffing limitations; and

WHEREAS, with two years of increases of the consumer price index but 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, City Staff and PFC support some level of rate increase consistent across all three utilities; and

WHEREAS, the City desires those customers receiving the low-income senior rate reduction for water and sewer to not be impacted by a proposed rate increase; and

WHEREAS, this topic was presented to Council at their November 3 Study Session where a rate increase of 5% for all utilities, including base charges and commodity charges, was supported;

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 Section 13.04.010 of the Gig Harbor Municipal Code is hereby repealed and replaced with the following: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, 2023, the monthly water service rates not including state and city taxes shall be set at the following amounts:

Customer Class/Meter	Customer Base Charge (per meter/ month)	Commodity Charge (per ccf)
Residential	\$21.23	\$2.77
Multiresidential		
5/8" & 3/4"	37.30	2.59
1"	51.33	2.59
1-1/2"	86.13	2.59
2"	128.04	2.59
3"	239.72	2.59
4"	365.47	2.59
Commercial/Schools		
5/8" & 3/4"	31.27	2.69
1"	41.31	2.69
1-1/2"	66.10	2.69
2"	95.97	2.69
3"	175.65	2.69
4"	265.36	2.69

Section 2. Section 13.04.013(B) of the Gig Harbor Municipal Code is hereby revised as follows:

B. Rate Reduction. A low-income senior citizen may pay a rate equal to 4750 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.

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, 2023, the monthly sewer service rates not including state and city sales tax shall be set at the following amounts:

Customer Class	Customer Base Charge (per month)	Commodity Charge (per ccf)
Residential	\$42.26	\$5.20
Multifamily residential (per living unit)	32.53	5.22
Commercial/school	98.66	9.16
Dept. of Corrections	13,034.50	5.20

Section 4. Section 14.10.050 of the Gig Harbor Municipal Code is hereby revised as follows:

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, 2020, shall be \$14.92.~~

Effective January 1, 2023, shall be \$ 15.67.

Section 5. 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 6. 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.

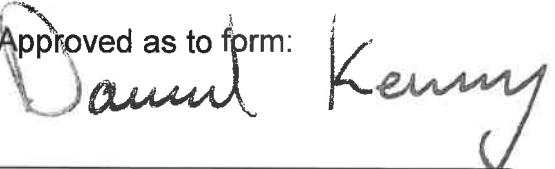
Section 7. Effective Date. This ordinance shall be in full force and take effect January 1, 2023, which is at least five (5) days after its publication of an approved summary consisting of the title.

ADOPTED by the Council of the City of Gig Harbor at a regular meeting thereof, held this 28th day of November, 2022.



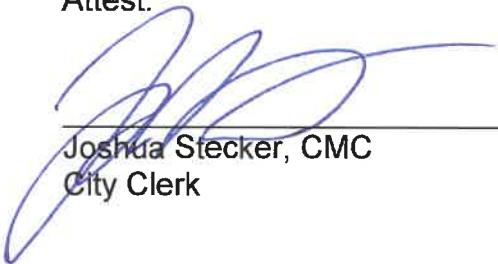
Tracie Markley
Mayor

Approved as to form:



Daniel Kenny
City Attorney

Attest:



Joshua Stecker, CMC
City Clerk