CITY UTILITY RATE ADJUSTMENTS

GIG HARBOR

THE MARITIME CITY

October 22, 2025   3:00 pm

Webinar Link: https://us06web.zoom.us/j/84284778465

Utility Website: https://www.gigharborwa.gov/313/City-Utilities

Jeff Langhelm, PE | Public Works Director

Jeff Olsen | Assistant Public Works Director

Chuck Roy | Wastewater Superintendent

Michael Abboud | NPDES Coordinator

Jerica Hardin | Utility Billing Technician

Cacilia Clemente | Utility Billing Technician

What utilities does the city operate?

- Water: [GHMC 13.02](#)

- Sewer: [GHMC 13.28](#)

- Storm: [GHMC 14.00](#)

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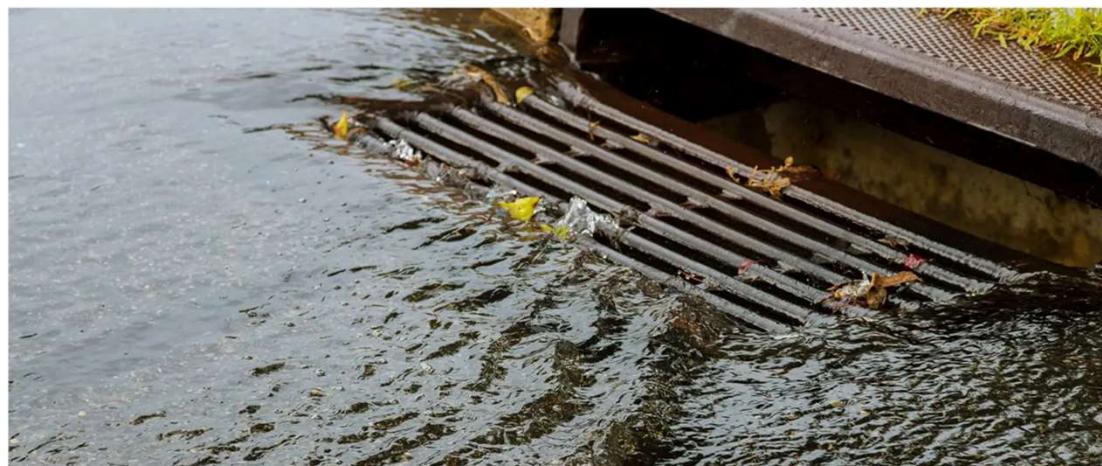
Do I have city utilities?

Check out your
utility providers here:

https://www.gigharborwa.gov/316/Other-Local-Utility-Providers
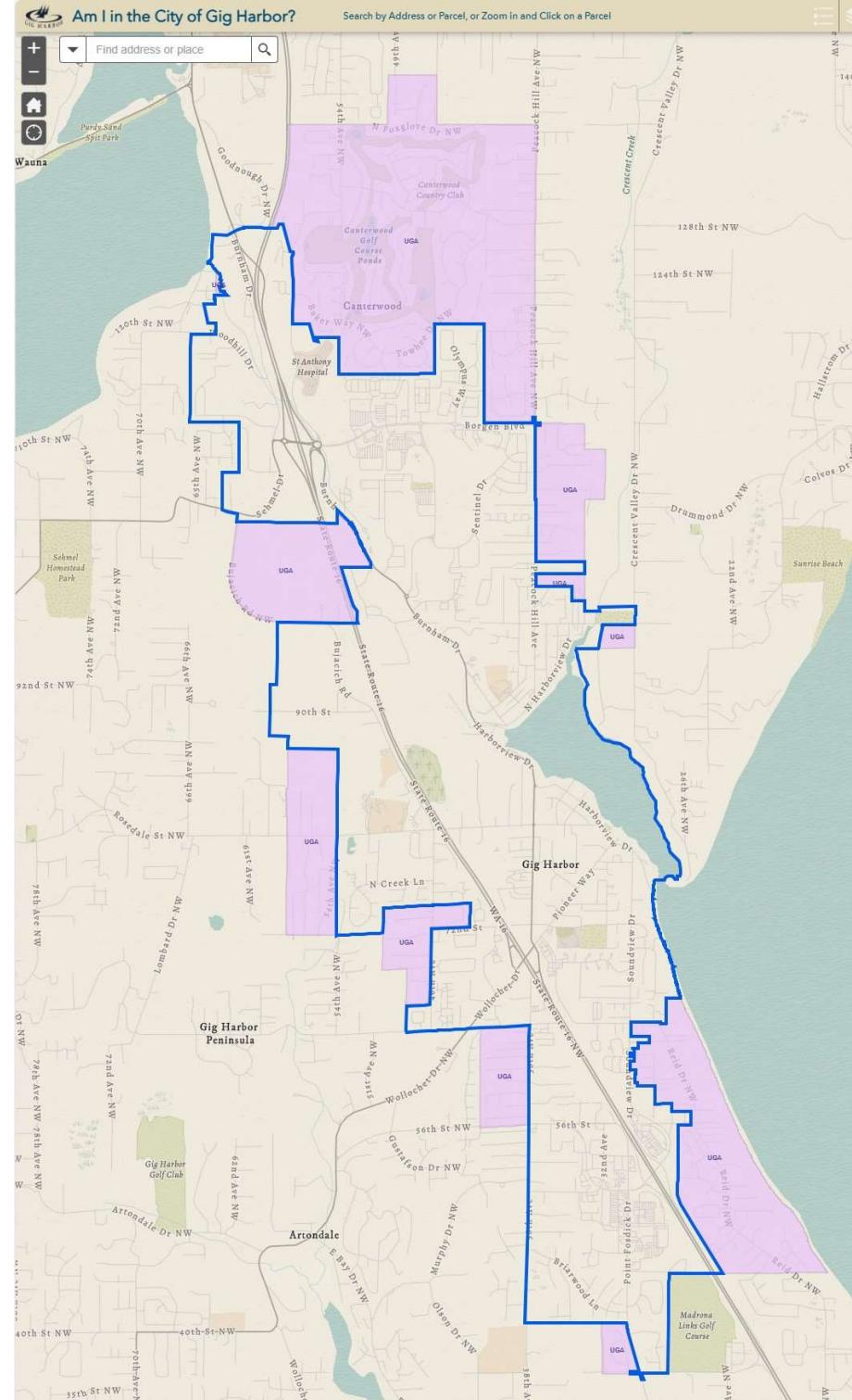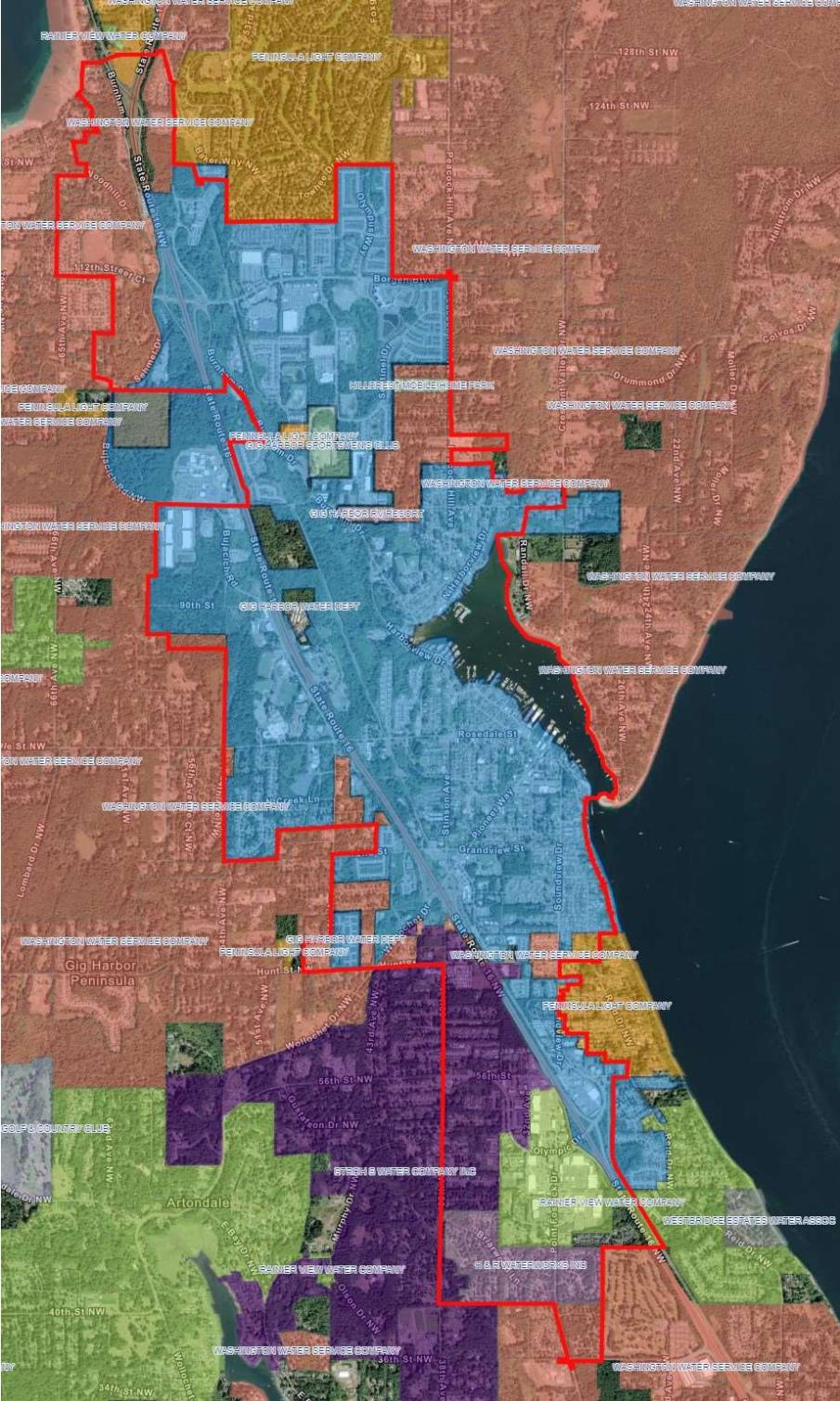
Water System

- 6 wells
- 6 reservoirs
- 58 miles of water mains
- 3,607 accounts

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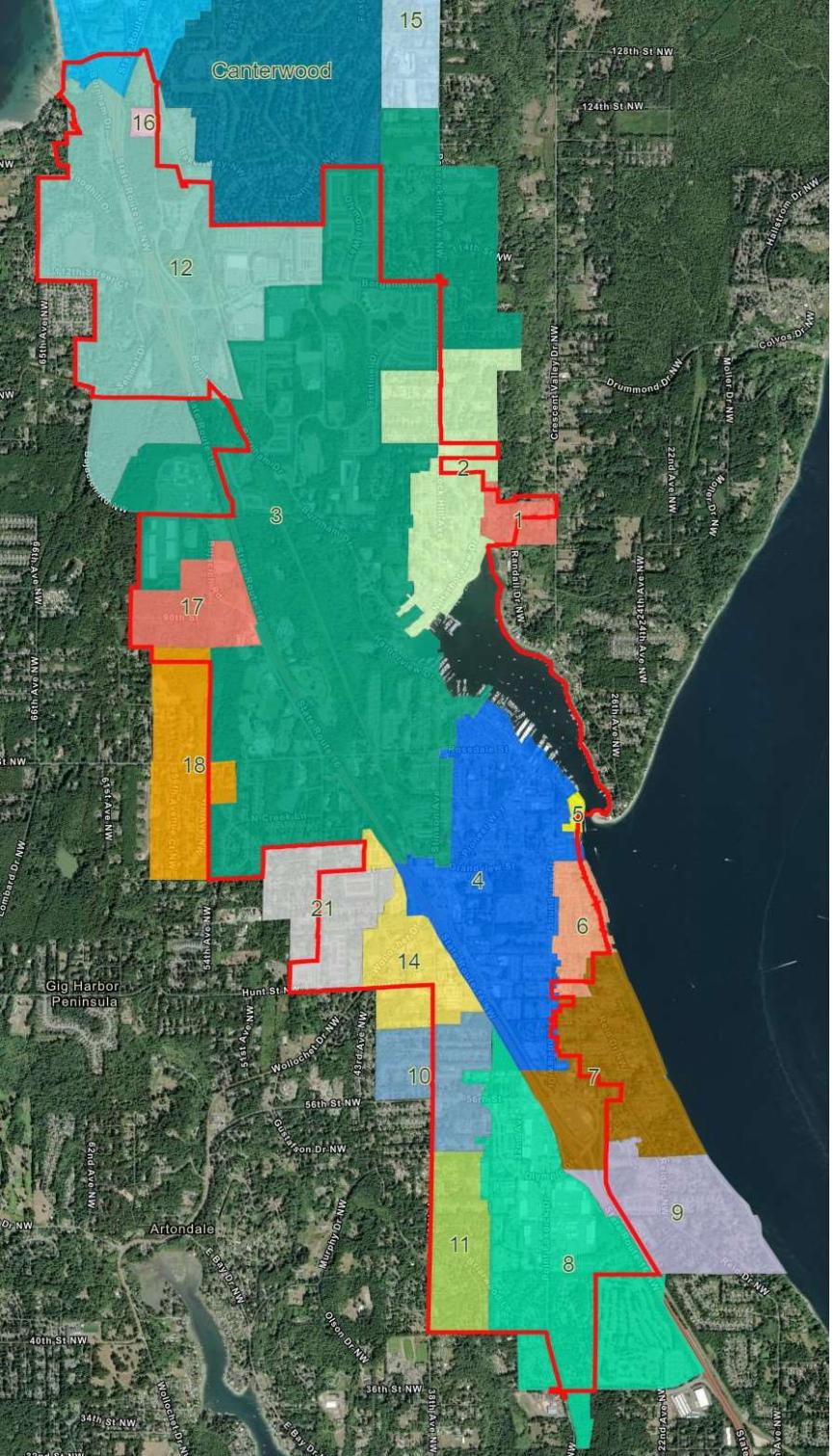
Sewer System

- 17 lift stations
- 2.4 MGD treatment plant
- 52 miles of sewer mains
- 3,932 accounts

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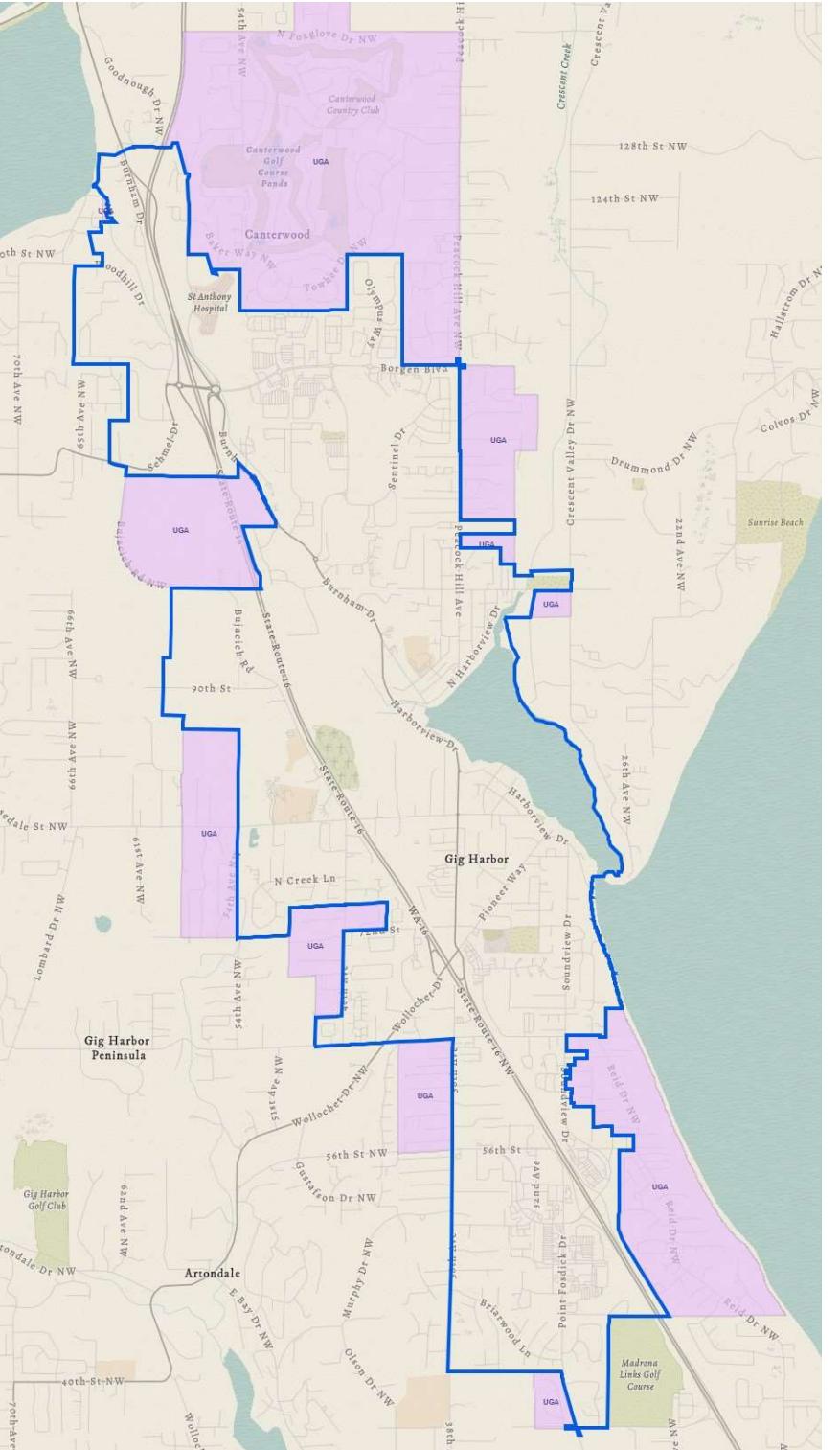
Storm System

- 3,548 Catchbasins/ Manholes

- 116 miles of roadway

- 68 miles of storm pipes/culverts

- 4,659 accounts

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Why adjust utility rates?

Revenue Requirement: Total amount of rate revenue needed to meet each utility's financial obligations, including capital, operating, and policy-driven commitments.

Operations & Maintenance	Capital Expenditures
Fiscal Policies	Debt Service

Revenue Requirement

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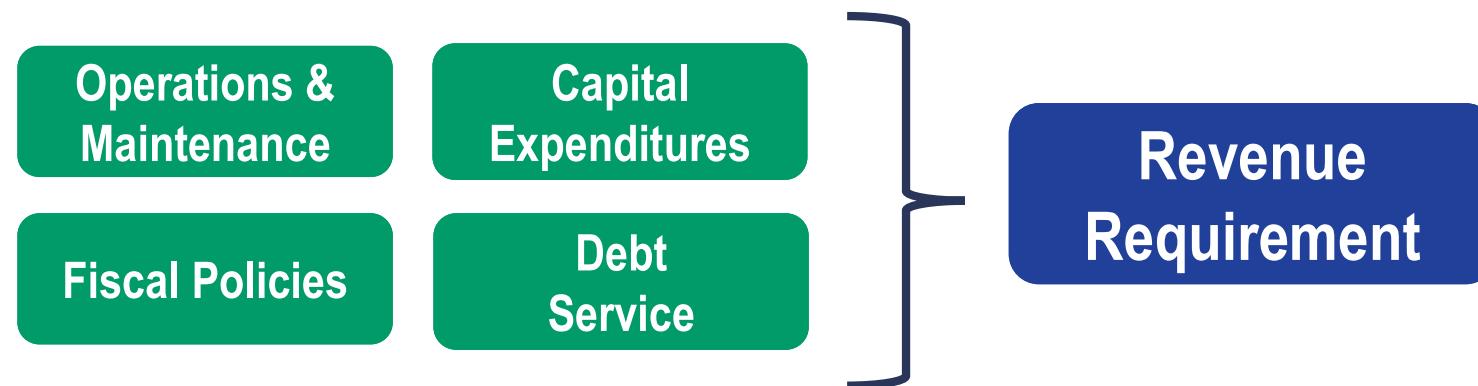
Rate Study Process

- Utility rate study completed in October 2025

- City's consultant was FCS Group

- FCS Group and staff presented at the following council study sessions:
    - July 17, 2025
    - August 14, 2025
    - October 16, 2025

Utility Rate Study
{every 3 to 5 years}

Planning

Budget Completion

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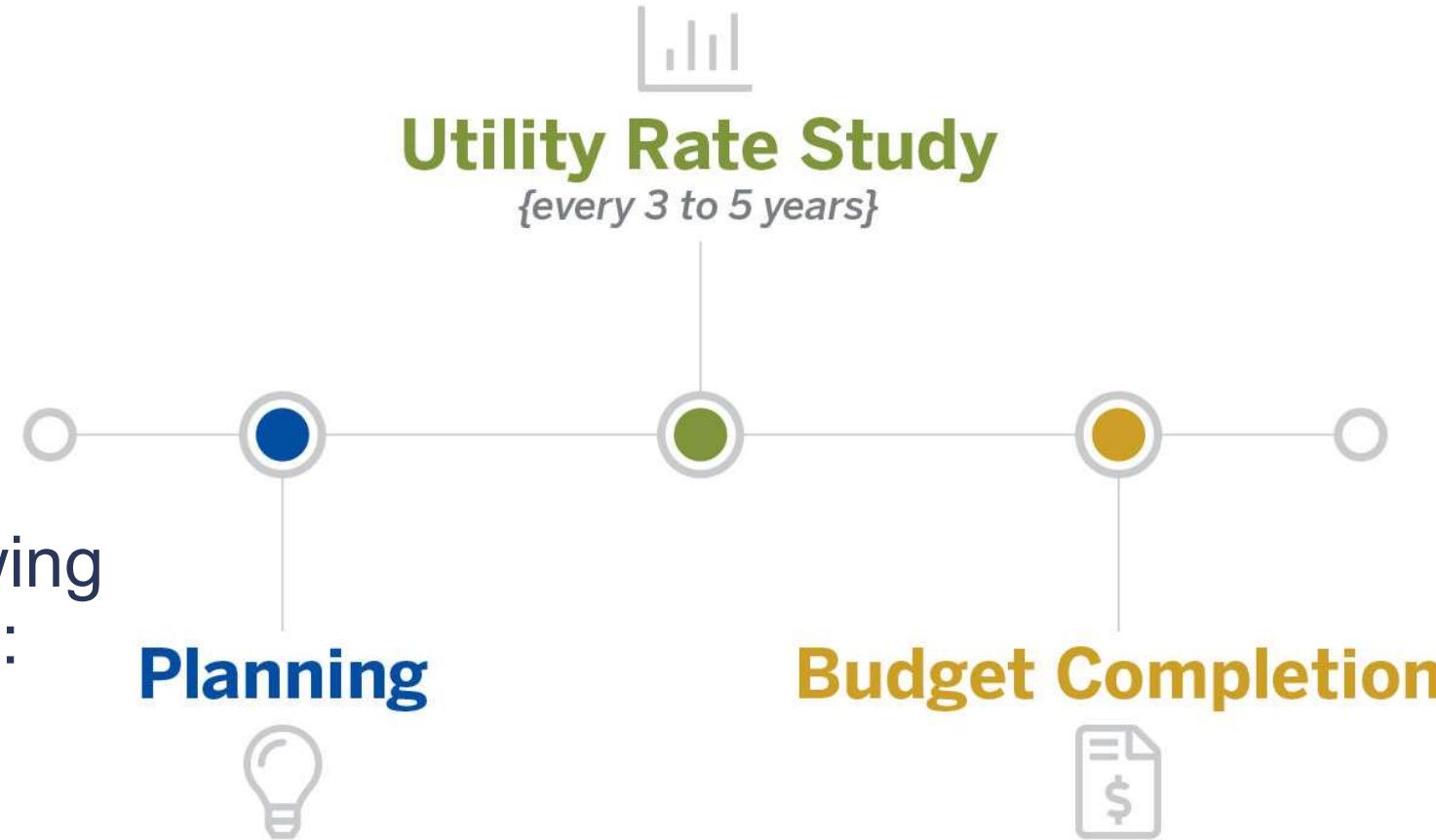
Water Utility Expenditure Highlights

6-year CIP:

- Water main replacements
- New emergency back-up well
- New water treatment system

On-going Maintenance:

- Water tank repainting
- Well maintenance
- Computer control system upgrades
- Hydrants and valves

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Year	% Increase	$ per Month		Tier	Threshold	Basis	Inside Rates per CCF	Outside Rates per CCF
2026	10%	$28.03		Tier 1	10 CCF	Average winter use	$2.30	$3.45
2027	10%	$30.83		Tier 2	16 CCF	Mid-point between winter and summer	$3.50	$5.25
2028	10%	$33.91		Tier 3	21 CCF	Average summer use	$4.60	$6.90
2029	10%	$37.30		Tier 4	42 CCF	Twice the average summer use	$5.80	$8.70
2030	2%	$38.05		Tier 5	>42 CCF	Everything else	$6.90	$10.35

Proposed SFR Base Water Rate Adjustments

Proposed 2026 Tiered Water Consumption Rates - NEW

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Monthly Water Bill Survey (SFR, 8 CCF)

University Place (summer)	
University Place (winter)	
Washington Water (Legacy Area)	
Tacoma (summer)	
Tacoma (winter)	
Gig Harbor (Current)	**$52.04**
Poulsbo (winter)	
Bainbridge Island	
Gig Harbor (Proposed)	**$46.43**
Puyallup	
Olympia	
Fox Island Water	
Washington Water (East Pierce Area)	
Washington Water (Stroh Area)	

$0.00 $10.00 $20.00 $30.00 $40.00 $50.00 $60.00 $70.00 $80.00

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Sewer Utility Expenditures

6-year CIP:

- Lift station upgrades

- Treatment plant improvements

On-going Maintenance:

- Collection system inspecting and clearing

- Pump and motor assembly replacements

- Computer control system upgrades

- Treatment plant chemicals and wear items

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Year	% Increase	Base Rate $ per Month	Commodity Rate $ per Month per CCF
2026	6%	$47.49	$5.84
2027	6%	$50.34	$6.19
2028	6%	$53.36	$6.56
2029	6%	$56.56	$6.95
2030	1%	$57.13	$7.02

Proposed SFR Base Sewer Rate
and Commodity Rates Adjustments

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Monthly Sewer Bill Survey (SFR, 5 CCF)

City	Amount
Bainbridge Island	
Poulsbo	
Gig Harbor (Proposed)	$76.69
Olympia	
Gig Harbor (Current)	$72.35
Tacoma	
Puyallup	
University Place	

$0.00 $20.00 $40.00 $60.00 $80.00 $100.00 $120.00

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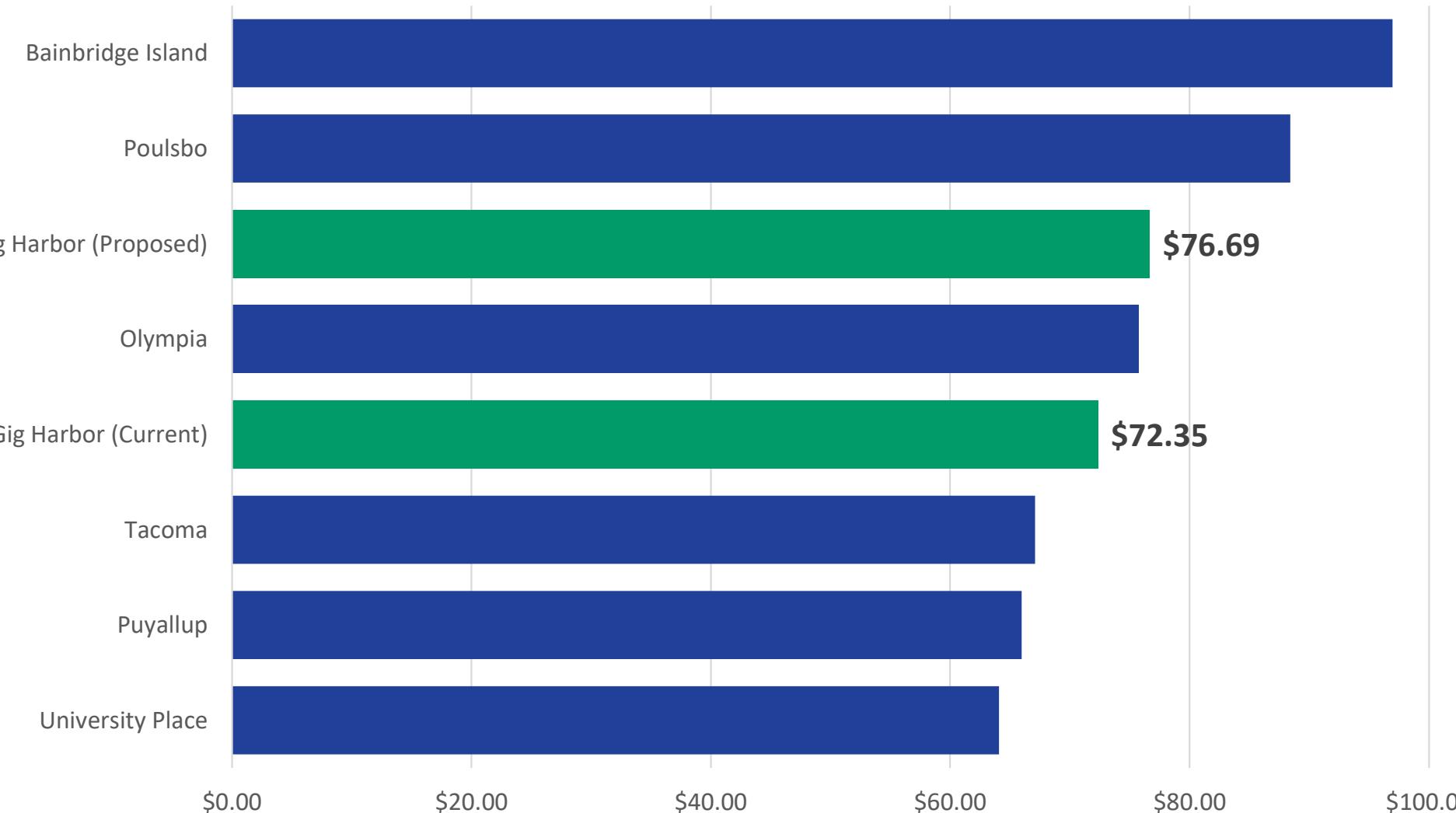
Storm Utility Expenditures

6-year CIP:

- Water quality treatment
- Culvert replacements for fish passage

On-going Maintenance:

- Implementing federal storm permit requirements
- Storm pipe inspecting and clearing
- Outfall repairs

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Year	% Increase	Base Rate $ per Month
2026	3%	$18.40
2027	3%	$18.95
2028	3%	$19.52
2029	3%	$20.11
2030	3%	$20.71

Proposed SFR Base Storm Rate Adjustments

Monthly Storm Bill Survey (SFR, 1 EBU)

City	
Tacoma	
Poulsbo	
Puyallup	
Bainbridge Island	
University Place	
Olympia	
Gig Harbor (Proposed)	$18.40
Gig Harbor (Current)	$17.86
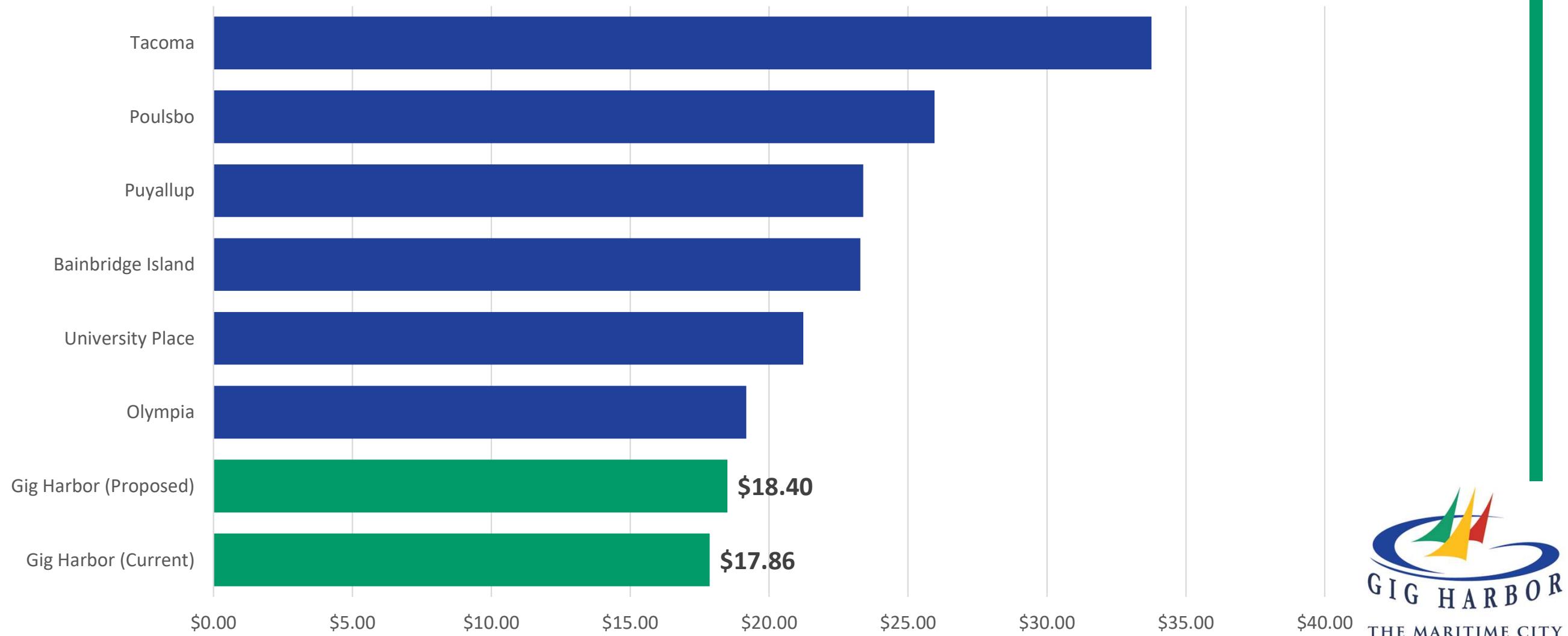
Next Steps

- First reading of ordinance before council at their Oct 27 meeting

- Second reading of ordinance at council's Nov 10 meeting

- Proposed effective date is January 1, 2026.

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Questions and Answers

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