

Tacoma Public Utilities and Environmental Services 2025-2026 Residential Rate Proposals

Tacoma Public Utilities will present our 2025-2026 budgets to the Public Utility Board and Tacoma City Council this fall for approval. Our proposals include rate adjustments for Tacoma Power and Tacoma Water.

Proposals for Environmental Services (Wastewater, Solid Waste, and Stormwater) are sent to the Environmental Services Commission, which recommends them to the Tacoma City Council for review and approval.



Tacoma Power

Average increases: 6.5% in 2025; 6.5% in 2026

- \$6.72 average monthly increase in 2025*
- \$7.09 average monthly increase in 2026*

Rates go into effect in April of each year.



Tacoma Water

Average increases: 6.3% in 2025; 6.3% in 2026

- \$2.86 average monthly increase in 2025 (inside the City of Tacoma)
- \$3.10 average monthly increase in 2026 (inside the City of Tacoma)
- \$3.46 average monthly increase in 2025 (outside the City of Tacoma)*
- \$3.67 average monthly increase in 2026 (outside the City of Tacoma)*

Rates go into effect in January of each year.

**Rates in University Place are slightly higher due to a 6% utility tax from the City of U.P.*

Environmental Services



Stormwater

Average increases: 7.7% in 2025; 8.0% in 2026

- \$2.49 preliminary average monthly increase in 2025
- \$2.70 preliminary average monthly increase in 2026



Wastewater

Average increases: 6.7% in 2025; 6.4% in 2026

- \$4.57 preliminary average monthly increase in 2025
- \$4.71 preliminary average monthly increase in 2026



Solid Waste

Average increases: 5.7% in 2025; 5.7% in 2026

- \$3.16 preliminary average monthly increase in 2025
- \$3.35 preliminary average monthly increase in 2026

Rates go into effect in January of each year.

These rates are preliminary and subject to change.



Why adjust rates?

As public utilities, we set rates to cover the costs of essential services. This includes the cost of providing safe, reliable services, maintaining our systems, protecting natural resources near our facilities, complying with regulations, and investing in upgrades that improve your services. Increased costs to operate and maintain our systems, inflation in materials and supplies, and ongoing impacts from losing one of our largest commercial water customers are the primary factors affecting our rates for 2025 and 2026. Average utility construction costs have increased over 20-30% in the last three years. We need to increase our rates to cover these higher costs. By gradually increasing rates over time, we can prevent large increases while still providing the services you rely on.

Increased costs from inflation

Like our customers, we are experiencing increased insurance, equipment, and supply costs. For example, the cost of buying electricity to ensure reliability and meet demand is increasing by 13%. Another example is that the cost of our CNG collection trucks for Solid Waste increased by more than 25% over the last four years.

Supply chain shortages

Delays and difficulty in buying equipment result in increased costs and limited resources. For example, replacing a transformer costs 282% more than it did a few years ago.

Critical infrastructure

We need to maintain and improve aging critical infrastructure for safety and reliability. One major example is a multi-year sewer main replacement project along Puyallup Avenue, which affects both Stormwater and Wastewater utilities.

Cost savings projects

We know rates affect you. We work hard to keep our costs down, which helps us provide some of the lowest rates in the region. This keeps services more affordable for everyone in our community.

Here are a few examples of how we reduce costs:

- Pursuing state and federal grants to fund projects that improve the customer experience, including:
 - Bureau of Reclamation Water Smart Grant to offset the costs of advanced water meters.
 - American Public Power Association – Demonstration of Energy & Efficiency Developments paid for a Heat Pump Water Heating pilot in two Tacoma Housing Authority multi-family buildings.
 - The WA Department of Commerce (Public Works Board FY2023) helps cover the costs of a new water pump station at Fennel Creek.
- Refinancing our loans and bonds to a lower rate so we pay less in interest.
- Recycling and selling equipment and property we no longer need.

- Increasing our sales of excess power and water to other utilities.
- Implementing a new, more efficient process for calculating water usage for wastewater bills that reduced staff time spent on billing.

Ways to manage your payments

We offer a variety of ways to take control of your utility bills, such as monthly average payments through our Budget Billing program, autopay options, and payment plans to help you manage paying your bills.

Income-eligible households can also qualify for discounts and credits on their bills. We expanded our Bill Credit Assistance Plan to help more customers qualify for up to more than \$1,100 per year in bill credits.

Ways to lower your bills

Power and water conservation can lower your costs and be good for the environment. We offer several ways to save on equipment upgrades that reduce your usage. Loan programs are also available to help cover the cost of energy-efficient home improvement projects and private-side sewer and waterline repairs.

Increasing recycling and right-sizing your garbage could lower your solid waste bill.

How you can get involved

- Read our budget proposals online.
- Attend our public meetings and outreach events, including a public hearing at the Public Utility Board meeting on October 9, 2024, and City Council meetings later this fall.
- Submit your questions and comments through our online form.
- Subscribe to our email newsletter.

Visit MyTPU.org/Rates for details.

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