

## Notice of Utility Rate Increase for 2026

We recognize that our community is still healing and rebuilding after the recent flood, and our thoughts remain with everyone affected. We also want to share important information about upcoming utility rate adjustments. These changes were approved prior to the December flood and are part of a long-term plan to maintain reliable service. We understand that this may feel like difficult timing, and we are committed to supporting our community through the recovery process in every way we can.

Utility rates are effective as of January 1, 2026, approved by the Sumas City Council in November 2025. This change was not an easy decision to come to, but it has become clear that it is necessary to ensure we can continue delivering the high-quality service you expect while addressing increased operational costs. The January bills (issued early February 2026), will be the first bill reflecting these rate changes.

Page 2 of this document outlines the Monthly Utility Rate increases, and Ordinance No. 1827 with the complete information of fees is available at [cityofsumas.com](http://cityofsumas.com). The new structure includes:

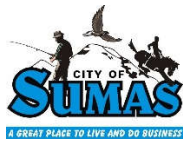
- **New Tiered Rate System:** Rates will be based on usage tiers, ensuring that customers who use more utility resources pay proportionally for the additional demand placed on the system.
- **Capital Facilities Fee:** An additional fee will be applied to help fund critical capital projects and build reserves for major, unpredictable events such as natural disasters or emergency repairs. This ensures long-term reliability and sustainability of our utility services.

### Why are Rates Increasing?

The rate adjustment is driven by several critical factors:

- **Inflation:** Rising cost for materials, labor, and essential services have impacted our operating expenses.
- **Infrastructure Maintenance:** Ongoing maintenance is required to keep our systems reliable and safe for all customers.
- **Capital Projects:** We are undertaking essential projects to protect, maintain, and enhance our utility services. These initiatives include financial planning of major, unpredictable events – such as natural disasters or emergency repairs – to ensure we can respond quickly and effectively. This proactive approach helps safeguard service continuity and long-term sustainability for our community.

Additionally, the City has committed to reviewing and addressing utility rates on an annual basis. This proactive approach is intended to keep future rate adjustments smaller and more consistent, reducing the likelihood of large, unexpected increases.



## **Notification of Monthly Utility Rate Increase – Quick Reference**

\*Ordinance 1827. Rate increase will begin with the January 2026 bill cycle. Last increase was January 2023.

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| <p><b><u>Electric Utility</u></b></p> <p>Residential Rate</p> <ul style="list-style-type: none"> <li>• Base Fee = \$6.50</li> <li>• Tier 1 (all usage) Consumption rate(s) = \$.089 per KWH</li> <li>• Capital Facilities Fee = \$.001 per KWH</li> </ul> <p>Public Authority &amp; Small Commercial Rate</p> <ul style="list-style-type: none"> <li>• Base Fee = \$7.00</li> <li>• Tier 1 (First 5,000 KWH) = \$.089 per KWH</li> <li>• Tier 2 (5,001 KWH to 10,000 KWH) = \$.0935 per KWH</li> <li>• Tier 3 (10,001 KWH and above) = \$.0982 per KWH</li> <li>• Capital Facilities Fee = \$.001 per KWH</li> </ul> <p>Large Commercial &amp; Industrial Rate</p> <ul style="list-style-type: none"> <li>• Demand #1 <ul style="list-style-type: none"> <li>○ Base Fee = \$265.00</li> <li>○ Demand per KW = \$6.15 KW</li> </ul> </li> <li>• Demand #2 <ul style="list-style-type: none"> <li>○ Tier 1 (First 435,000 KWH) = \$.0671 per KWH</li> <li>○ Tier 2 (435,001 KWH to 870,000 KWH) = \$.0704 per KWH</li> <li>○ Tier 3 (870,001 KWH and above) = \$.0740 per KWH</li> <li>○ Capital Facilities Fee = \$.001 per KWH</li> </ul> </li> </ul> <p>Additional Fees</p> <ul style="list-style-type: none"> <li>• Reconnect Fee (during office hours) = \$44.00</li> <li>• Reconnect Fee (after hours) = \$265.00</li> <li>• Reconnect Fee (400 amp or larger) = \$265.00</li> <li>• Meter Read (outside of billing cycle) = \$22.00</li> </ul> | <p><b><u>Water Utility</u></b></p> <p>Residential Rate</p> <ul style="list-style-type: none"> <li>• Tier 1 (First 600 CF) = \$14.00</li> <li>• Tier 2 (601 CF and above) = .013 per CF</li> <li>• Capital Facilities Fee = \$.001 per CF</li> </ul> <p>Commercial Rate</p> <ul style="list-style-type: none"> <li>• Tier 1 (First 600 CF) = \$14.00</li> <li>• Tier 2 (601 CF to 5,000 CF) = \$.013 per CF</li> <li>• Tier 3 (5,001 CF and above) = \$.0136 per CF</li> <li>• Capital Facilities Fee = \$.001 per CF</li> </ul> <p>Water Associations &amp; PSE Process Rate</p> <ul style="list-style-type: none"> <li>• Tier 1 (First 500,000 CF) = \$.0063 per CF</li> <li>• Tier 2 (500,001 CF and above) = \$.007 per CF</li> <li>• Capital Facilities Fee = \$.001 per CF</li> </ul> <p>Hydrant/Bulk Water Sales</p> <ul style="list-style-type: none"> <li>• Base Fee per Day = \$21.00</li> <li>• Volume Surcharge = .0141 per CF</li> </ul> <p>Additional Fees</p> <ul style="list-style-type: none"> <li>• Reconnect Fee (during office hours) = \$36.00</li> <li>• Reconnect Fee (after hours) = \$217.00</li> <li>• Meter Read (outside of billing cycle) = \$18.00</li> </ul> |
| <p><b><u>Stormwater Utility</u></b></p> <ul style="list-style-type: none"> <li>• Single Family Unit = \$3.31</li> <li>• Multi-Family Unit = \$7.72</li> <li>• Commercial Rate = \$7.72</li> <li>• Industrial Rate = \$27.56</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b><u>Sewer Utility</u></b></p> <p>Residential Rate</p> <ul style="list-style-type: none"> <li>• Base Fee = \$12.70</li> <li>• Tier 1 (First 1,060 CF) = \$.0656 per CF</li> <li>• Tier 2 (1,061 CF and above) = \$.0689 per CF</li> <li>• Capital Facilities Fee = \$.003 per CF</li> </ul> <p>Commercial Rate</p> <ul style="list-style-type: none"> <li>• Base Fee = \$12.70</li> <li>• Tier 1 (First 1,060 CF) = \$.0656 per CF</li> <li>• Tier 2 (1,061 CF and above) = \$.0689 per CF</li> <li>• Capital Facilities Fee = \$.003 per CF</li> </ul> <p>Large Industrial (Contracted User)</p> <ul style="list-style-type: none"> <li>• Base Fee = \$12.70</li> <li>• 80,000 GAL per day = \$.0485 per CF</li> <li>• 80,001 GAL and above (per day) = \$.0689 per CF</li> <li>• Capital Facilities Fee = \$.003 per CF</li> </ul>                                                                                                                                                                                                                                                                                                                                                   |