



City of Tacoma  
Finance Department

September 20, 2023

Digital Assurance Certification LLC  
Attn: Shelley Rodgers  
390 North Orange Avenue, Ste. 1750  
Orlando, FL 32801

**SUBJECT:** 2022 Ongoing Disclosure of Financial Information and Operating Data  
City of Tacoma, Washington, Department of Public Utilities,  
Water Division – Regional Water Supply System CUSIP #87354T

This submission is City of Tacoma, Washington, Department of Public Utilities, Water Division – Regional Water Supply System's (RWSS) annual financial and operating data for 2022 for the following bond issues:

Regional Water Supply System Revenue Bonds, 2010  
Regional Water Supply System Revenue Bonds, 2013

Enclosed with this letter are the unaudited financial statements for the Regional Water Supply System and the Covington Water District. Audited financial statements are enclosed for Tacoma Water.

The information provided in this submission speaks only as of its date and is subject to change without notice. The submission of this information may not create an implication that there has been no change to the information provided. The Division has not agreed to notify the secondary market of subsequent changes to the information provided.

Sincerely,

DocuSigned by:  
  
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Susan Calderon, CPA  
Assistant Finance Director/Controller

Enclosures

REGIONAL WATER SUPPLY SYSTEM  
STATEMENTS OF NET POSITION

(UNAUDITED)

	YEAR ENDED DECEMBER 31,	
	2022	2021
<b>ASSETS</b>		
<b>UTILITY PLANT</b>		
Water Plant in Service	\$345,668,798	\$344,877,044
Less Depreciation and Amortization	(109,013,711)	(100,473,502)
Total	236,655,087	244,403,542
Construction work in progress	1,310,379	1,382,579
Net Utility Plant	237,965,466	245,786,121
<b>RESTRICTED ASSETS</b>		
Cash and Equity in Pooled Investments:		
Provision for Debt Payment	377,046	374,900
Special Bond Reserves	8,459,953	8,464,942
Total Restricted Assets	8,836,999	8,839,842
<b>CURRENT ASSETS</b>		
Cash and Equity in Pooled Investments:		
Regional Water Supply System Operating Fund	(100,128)	191,800
Receivables:		
Others	760,213	546,062
BABs Interest Subsidies	477,653	68,236
Prepayments	124,574	120,338
Total Current Assets	1,262,312	926,436
<b>OTHER ASSETS</b>		
Unamortized Debt Expenses	159,693	175,797
Total Deferred Charges	159,693	175,797
<b>TOTAL ASSETS</b>	<b>\$248,224,470</b>	<b>\$255,728,196</b>

	YEAR ENDED DECEMBER 31,	
	2022	2021
<b>NET POSITION AND LIABILITIES</b>		
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$145,952,901	\$150,851,903
Unrestricted	267,742	(113,346)
<b>Total Net Position</b>	<b>146,220,643</b>	<b>150,738,557</b>
<b>LONG-TERM DEBT</b>		
Revenue Bonds Outstanding:		
2010 RWSS Revenue Bonds, Series A	355,000	700,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Revenue Bonds	49,935,000	52,045,000
Plus: Unamortized Bond Premium	3,642,211	4,269,957
<b>Total Long-Term Debt</b>	<b>98,177,211</b>	<b>101,259,957</b>
<b>CURRENT LIABILITIES</b>		
Purchases and Contract Payable	4,955	8,884
Interest Expense Accrued	410,290	419,615
Current Portion of Long-Term Debt	2,455,000	2,315,000
<b>Total Current Liabilities</b>	<b>2,870,245</b>	<b>2,743,499</b>
<b>OTHER LIABILITIES</b>		
Deferred Revenue - Operating Reserve (1)	956,371	986,183
<b>Total Liabilities</b>	<b>956,371</b>	<b>986,183</b>
<b>Total Liabilities</b>	<b>102,003,827</b>	<b>104,989,639</b>
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<b>\$248,224,470</b>	<b>\$255,728,196</b>

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Note 1 - Includes reserve for timing differences between RWSS operating expenditures and reimbursement from Partners

REGIONAL WATER SUPPLY SYSTEM  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(UNAUDITED)

	YEAR ENDED DECEMBER 31,	
	2022	2021
<b>OPERATING REVENUES</b>		
CRO - Debt Service	\$6,459,139	\$6,445,519
CRO - O&M	5,044,883	4,191,992
CRO - Capital	698,283	233,873
Total Operating Revenues	12,202,305	10,871,384
<b>OPERATING EXPENSES</b>		
Operations	194,369	450,453
Production	4,142,349	3,422,712
Administrative and General	375,312	345,447
Depreciation	8,542,323	8,524,386
Total Operating Expenses	13,254,353	12,742,998
Net Operating Income	(1,052,048)	(1,871,614)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income	(110,285)	(39,563)
Miscellaneous	-	6,586
Interest on Long-Term Debt	(5,027,839)	(5,135,916)
Interest on LT Debt BAB Subsidies	-	-
Amort. Of Debt Premium, Disc. And Expense	611,643	635,119
Total Non-Operating Revenues ( Expenses )	(4,526,481)	(4,533,774)
Net (Loss) Income Before Capital Contributions and Transfers	(5,578,529)	(6,405,388)
Capital Contributions		
Cash	241,782	151,393
Federal BAB Subsidies	818,833	818,833
<b>CHANGE IN NET POSITION</b>	(4,517,914)	(5,435,162)
<b>TOTAL NET POSITION - JANUARY 1</b>	150,738,557	156,173,719
<b>TOTAL NET POSITION - DECEMBER 31</b>	<u>\$146,220,643</u>	<u>\$150,738,557</u>

Table I

## SCHEDULE OF DEBT SERVICE REQUIREMENTS

Year	The Bonds		Total Parity Bonds
	Principal	Interest	
2023	2,455,000	4,923,486	7,378,486
2024	4,930,000	4,804,186	9,734,186
2025	5,190,000	4,561,236	9,751,236
2026	5,420,000	4,300,363	9,720,363
2027	5,700,000	4,027,936	9,727,936
2028	5,970,000	3,741,452	9,711,452
2029	6,300,000	3,441,430	9,741,430
2030	6,595,000	3,124,853	9,719,853
2031	6,880,000	2,855,022	9,735,022
2032	6,660,000	2,572,445	9,232,445
2033	4,495,000	2,298,427	6,793,427
2034	4,655,000	2,045,763	6,700,763
2035	4,830,000	1,784,105	6,614,105
2036	5,005,000	1,512,611	6,517,611
2037	5,185,000	1,231,280	6,416,280
2038	5,375,000	939,831	6,314,831
2039	5,570,000	637,702	6,207,702
2040	5,775,000	324,613	6,099,613
<b>TOTAL</b>	<b>\$96,990,000</b>	<b>\$49,126,741</b>	<b>\$146,116,741</b>

2010 Bond Issue Official Statement Page 14

2013 Bond Issue Official Statement Page 12

**Table II**

<b>Net Loss before Capital Contributions</b>	(5,578,529)
<b>Capital Contributions</b>	
Cash	241,782
Federal BAB Subsidies	818,833
<b>Depreciation</b>	8,542,323
<b>Interest Charges</b>	4,416,196
<b>Net Income Available for Debt Service</b>	8,440,605
<b>Debt Service on Outstanding Bonds</b>	7,353,232
<b>Debt Service Coverage</b>	1.15

Note 1 - As owner/operator of the Second Supply Project, Tacoma Water directly pays all operating, capital and debt service obligations on behalf of the partnership and in turn invoices the City of Kent, Covington Water District and Lakehaven Utility District for their contracted share of the expenses. Operating expenses are billed monthly on a reimbursement basis, capital expenditures are billed each quarter and debt service is accrued monthly and paid when due. Because all RWSS expenses are paid as "Contract Resource Obligations" of each of the RWSS Partners, debt service coverage is not monitored in isolation for the RWSS, but Tacoma Water has covenanted with bond owners to ... "provide Gross Revenues of the Water System sufficient, together with amounts on deposit in the Revenue Fund and available for such purpose (including Participants' Payments), to pay all Regional Supply System Costs and all obligations against Gross Revenues of the Water System." This obligation is senior in lien to those of the Water System Parity Bonds, which have separate requirements for Debt Service Coverage. See RWSS Investor Webpage for more information: <https://www.mytpu.org/about-tpu/tacoma-water-investor.htm>