



2023 Management Review

Follow Up Report to PUB

April 8, 2026



Tacoma City Charter

Section 4.15

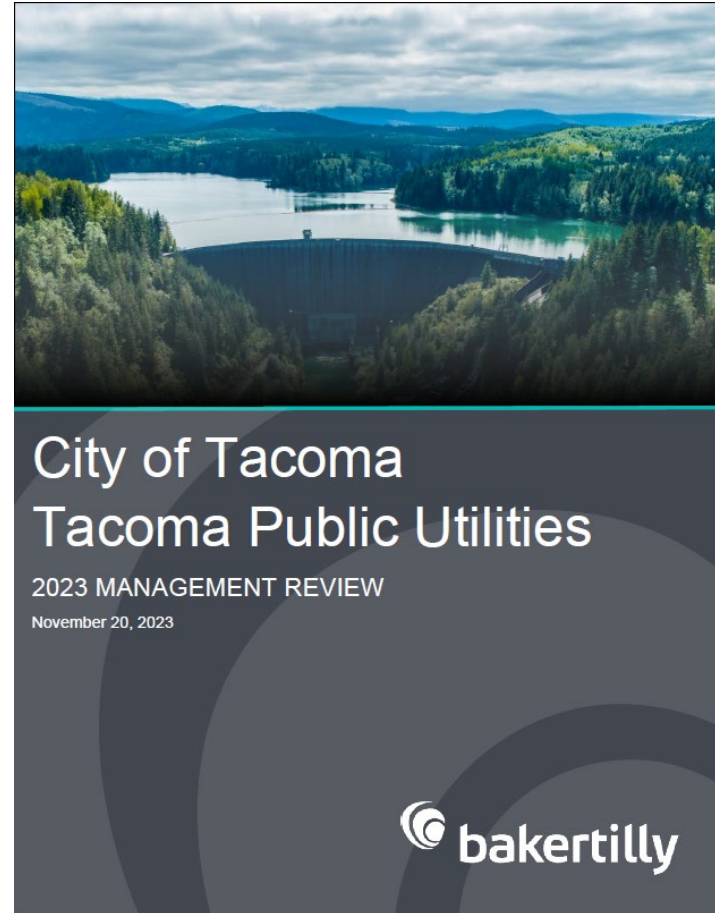
“...At intervals not exceeding five years the City Council shall, at the expense of the utilities involved, cause a performance audit to be made of selected utilities or related operations under the jurisdiction of the Utility Board. The City Council shall determine the nature and extend of the performance audit and said audit shall be conducted by a competent firm of certified public accountants and management analysts in accordance with Generally Accepted Government Auditing Standards (GAGAS). The report and recommendations shall be made public and be forwarded to the Utility Board and the City Council for Action...”



2023 Management Review Background



- Review process completed in 2023.
- Final Report presented to Joint Public Utility Board and City Council in November 2023.
- Process included a project review team (3 GG and 2 TPU executive leaders) and a governance committee (Mayor, 2 City Council and 2 Public Utility Board Members).



2023 Management Review Key Takeaways



Executive Summary

- “Overall, our review found that TPU consistently maintains its position as one of the nation's leading public utility departments, demonstrating a commendable record of accomplishment compared to benchmarked peers.”
- “The findings within our report collectively affirm TPU's dedication to delivering exceptional service and driving innovation in the utilities industry.”

Suggestions

- 16 total suggestions: 9 TPU-wide, 4 Power, 1 Water, 2 Rail
- Categories: Operations (6), Safety (4), Strategy and Governance (4), Workforce Culture & DEI (2)

2023 Management Review Suggestion Status



Suggestion	Number	Category			
		Operations	Safety	Strategy & Governance	Workplace
Strategic Plan	1			Complete or ongoing	
DEI	2				In progress
Succession Planning	3			Complete or ongoing	
IT upgrades	4	Complete or ongoing			
Onboarding	5				In progress
Safety Structure	6		Complete or ongoing		
Project Management	7	Not started			
SLAs	8			In progress	
Benchmarking	9			In progress	
Power Reliability	10	Complete or ongoing			
Power Safety	11		Complete or ongoing		
Power Industry Risks	12		In progress		
Power Affordability	13	Complete or ongoing			
Water Safety	14		In progress		
Rail Safety	15		Complete or ongoing		
Locomotive Offerings	16	Complete or ongoing			

Key:

- Complete or ongoing
- In progress
- Not started

2023 Management Review Suggestions



TPU Suggestion #1: Finalize an organization-wide Strategic Plan

Status: complete & ongoing

- Included in Directors workplan 2024-2026
- Mission, Vision, Values updated 2024
- PUB Guiding Principles refined 2026
- Strategic Objectives and Initiatives refined 2024-2025; 2026-2030
- Work continues to add long term viewshed: 2040 and beyond

2023 Management Review Suggestions



TPU Suggestion #2: Continue developing DEI initiatives and programming

Status: in progress

- Staff leading efforts now within TPU, previously in OEHR with excessive turnover.
- Coordinating with HR to implement a microaggressions and anti-bullying strategy including process improvement and training (pending).
- Requiring supervisors and employees to take annual EEO and workplace culture training.
- Align charters and work focus for TPU Equity Advisory Committee and divisional (sub)committees including newly sanctioned Rail Equity Committee.
- Training opportunities (internal and external) for staff serving on the committee(s) is prioritized including bring speakers in.

2023 Management Review Suggestions



TPU Suggestion #3: Begin the process of succession planning

Status: complete & ongoing

- Succession planning was identified as a Strategic Initiative in 2025 under the Employee Experience Objective.
- Succession planning program was updated and refined in 2025.
- Program launched by the end of 2025, piloting in executive and senior leaders, with critical positions or single point of failure positions next.
- Effort will expand throughout the organization using individual success plans including preparing interested employees for advancement opportunities.

2023 Management Review Suggestions



TPU Suggestion #4: Continue to progress on the potential upgrades to IT infrastructure

Status: complete & ongoing

- Included in the 2025 Directors Work Plan.
- Comprehensive change management plan developed and implemented in 2025 in support of SAP Now! Migration, including 37 stakeholder meetings.
- TPU staff documented over 2800 test scripts to test SAP and Service Cloud functionality.
- SAP Now! and Service Cloud migration and implementation completed November 2025.
- CIC replaced by CRM, upgrading a 20-year-old system to better align with current technology enhance customer experience.
- Future phases of SAP Now! coordination and implementation ongoing.

2023 Management Review Suggestions



TPU Suggestion #5: Update onboarding procedures and communication to staff

Status: In progress

- 2024 Strategic Initiative and Director's Workplan included partnering with HR to develop a performance dashboard.
- Dashboard, anticipated to be debuted in 2026, is expected to include "time to fill" metrics.
- Additionally, TPU feedback through the initiative process has resulted in HR refreshing the Hiring Hub including Quickstart guide, initiating Recruitment Strategy meetings in advance of hiring and tools for candidate screening and selection.
- Recognizing we have experienced staff turn over, TPU launched a Hiring Liaisons workgroup to support training, best practice sharing, consistency in process, and identify opportunities for process improvement across the organization.

TPU Suggestion #6: Communicate safety reporting structures to ensure staff are aligned

Status: complete & ongoing

- Establish a Responsibility Assignment Matrix Guide to reinforce clear roles and expectations for enterprise and operational safety professionals using a Responsible, Accountable, Consulted, and Informed (RACI) framework promoting organizational clarity.
- Four operating division safety principals meet weekly with City Safety Director to identify safety strategic priorities.
- Organization-wide (GG and TPU) safety professionals meet in monthly safety meetings.

2023 Management Review Suggestions



TPU Suggestion #7: Develop comprehensive project management processes and procedures

Status: not started

TPU Suggestion #8: Review service level agreements to enhance operational effectiveness

Status: In progress

- 2024 Strategic Initiative and Director's Workplan included collaboratively working with shared service providers to reinstitute Service Level Agreements.
- Progress continues to be made with HR in hiring practices, onboarding, employee relations, and class and compensation processes. It is anticipated that significant progress in these areas will be realized in 2026, a developed SLA is remains outstanding.
- Finance work has been placed on hold pending SAP Now! Upgrade and enhancements to procurement systems.

2023 Management Review Suggestions



TPU Suggestion #9: Leverage benchmarking results for organization-wide changes

Status: In progress

- This suggestion includes numerous themes: growing customer base and coordinating with regional economic development organizations, continue to promote strong retention and succession planning, and safety enhancements.
- TPU coordinates with City of Tacoma, Pierce County, and the Tacoma Pierce County Economic Development Board in economic development opportunities.
- Approval of Cascade Water Alliance agreement will expand water's wholesale service territory.
- Tacoma Rail continues to pursue additional Class 1 railroad service offerings.
- Personnel demographics including trends on hiring and departures continue to be monitored.
- Succession planning was included in 2025 Strategic Initiatives and launched for leadership positions in 2026. Further work will continue in 2026 based on strategic initiative to develop individual success plans with an eye toward the next generation of leaders.
- Safety addressed with other suggestions within this presentation.

Power Suggestion #10: Maintain and improve Tacoma Power service reliability

Status: complete & ongoing

- Tacoma Power continues to maintain very strong reliability statistics and customer satisfaction is in top quartile in many areas.
- Call center and lobby key performance indicators have shifted to be more aligned with our customer experience initiative which includes first call resolution objectives. This transition of the desired outcome shifts focus from time to resolve to resolving the customer request. Touch point customer surveys immediately following calls continue to trend high indicating strong customer satisfaction.

Power Suggestion #11: Maintain and Improve Tacoma Power operational safety

Status: complete & ongoing

- Tacoma Power participated in the Safety RACI exercise with enterprise safety obtaining further organizational clarity. Tacoma Power is extending that exercise into the sections of power to further clarify roles and responsibilities.
- The procedures identified in the final management review report as dated were updated in 2024 and 2025.
- Quarterly safety metrics have been modified to monitor and trend internal experience as we work to minimize incidents.

Power Suggestion #12: Mitigate from external power industry risks

Status: in progress

- With TPU's expanded strategic horizon and budget work inclusion of emerging trends, broader representation of power external risks is informing programs, planning, and continuous improvement. Expanded enterprise risk management is a long term goal.
- The 2026 Strategic Initiative and Director's workplan includes measurable outcomes associated with asset management. It is anticipated this will continue to be an area of focus and growth over the next few years.
- Active organization wide planning and process improvement for emergency management was included in the 2025 and 2026 Director's workplan. Planning, response and organization-wide coordination is realizing continuing to improve.

Power Suggestion #13: Maintain and improve Tacoma Power affordability and financial indicators

Status: complete & ongoing

- Following the management review process, Tacoma Power modified its quarterly performance metric to reflect “Distribution O&M Cost per Customer”. The analysis for this can be found in Appendix M of the final report.
- Rate setting overview information is provided as part of the biennial budget and rate development period.

Water Suggestion #14: Improve the safety culture of Tacoma Water

Status: in progress

- Tacoma Water participated in the Safety RACI exercise with enterprise safety obtaining further organizational clarity.
- Quarterly safety metrics have been modified to monitor and trend internal experience as we work to minimize incidents.
- Hierarchy of Controls being implemented via pilot of incident investigation in Tacoma Water. Hierarchy of Controls is intended to expand organization wide.

Rail Suggestion #15: Continue making railroad safety improvements aligned with the FRA

Status: complete & ongoing

- Tacoma Rail participated in the Safety RACI exercise with enterprise safety obtaining further organizational clarity.
- Quarterly safety metrics have been modified to monitor and trend internal experience as we work to minimize incidents.
- Tacoma Rail conducted a Short Line Safety Incident Safety Culture Assessment. They will conduct an assessment every 5 years.
- Tacoma Rail managers and supervisors have taken LEAD refresher to support continued focus on culture.
- Managers and supervisors are now conducting periodic employee check-ins to get feedback. Rail is recognizing safety quarterly.
- Rail has achieved the Jake Award three years in a row.
- The Rail Superintendent actively champions a culture of accountability as opposed to a culture of blame.

Rail Suggestion #16: Continue researching ways to evolve TPU's locomotive service offerings

Status: complete & ongoing

- Tacoma Rail is actively pursuing expanding business service offerings to Class 1 railroads.
- Tacoma Rail started delivering assembled trains to the BNSF mainline parallel to Dock street for departure from Tacoma. This reduces congestion in Tacoma Rail's yard and saves staff Class I staff time enabling additional system capacity.
- Tacoma Rail is now retrieving empty autoracks from the BNSF yard which enhanced efficiency in support of two auto-import facility customers.

Next Management Review will occur in 2033

Questions?

